The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 11, 1939

More About the Guam Plan

AN EDITORIAL

The Guerrillas in Chekiang

BY DONALD M. DAVIES

The Barren German Press

BY A NON-CONFORMIST

Yunnan-Burma Rail History

China's Mongol Vanguards

BY C. Y. W. MENG

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Volume 88 Number 2

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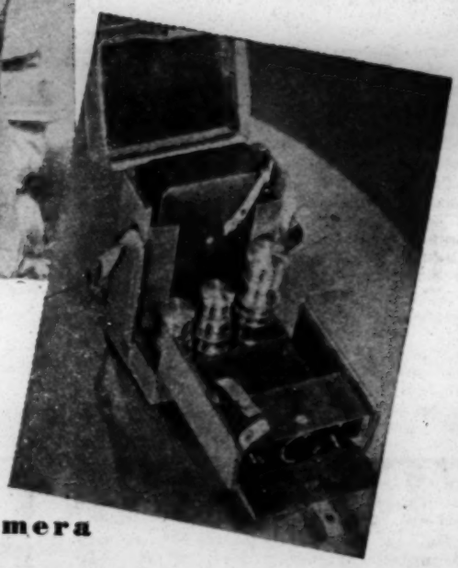

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

JAPAN'S CASUALTIES

To the Editor:

In the recent issues of the Review we note what amounts to a squabble between two foreign news agencies about Japanese casualties. Last week I was informed by a sail-maker that his firm shared the business of making 350,000 small canvas bags for the Japanese army to encase the ashes of dead Japanese soldiers. The contract called for the delivery of these bags within the year 1938.

Taking this figure as representing the number of Japanese killed in 1938, then it would be quite reasonable to place Japanese casualties for the period, August to December, 1937 at 160,000, making a total of 510,000.

Before 1938, the Japanese used earthenware to keep the ashes of soldiers, but these were so cumbersome and easy to break in transit that they had to resort to the latter change. Because of the large numbers of bodies to be cremated, however, each bag does not necessarily contain the ashes of only one dead soldier. But the Tokyo militarists are expert realists and know how to fool people; so when the ashes reach the home port they call it a "silent" triumphant return.

Out of the number 510,000 already accounted for, there must be an additional number of missing and taken prisoner. One foreign correspondent, in his report to a local English daily, related how after an engagement with guerrillas, the company had to return minus 20 of its members. In their recent rounding-up of guerrillas in Pootung, the Japanese spokesman cited only a few casualties on his side but, according to Chinese eye-witnesses, the figure of over 1,000 is conservative while the guerrillas themselves suffered only a few casualties.

Thank you very much for your valuable space.

N. S. C.

Shanghai, March 6, 1939.

CHINKIANG SITUATION

To the Editor:

From a recent arrival I have learned some interesting things about conditions in Chinkiang, which is in Kiangsu, south of the Yangtsze.

When the Japanese army occupied the city they slaughtered or wounded about 2,000 people. The damage to property has not yet been estimated.

Seventy per cent of the city's original population have returned. Business has been resumed, but is 30 per cent below the normal volume. Cinemas and other amusement resorts are usually packed to capacity.

A Salt Tax Bureau has been set up by the puppet regime and the Salt Directorate reorganized. It employs many disgruntled merchants who receive their salaries but do not attend to their duties.

Legal tender notes are highly regarded, but people refuse to handle the "Federal Reserve" currency. They have faith in China's final victory and confidence in the leadership of Gen. Chiang Kai-shek.

P. H. ALFRED WANG.

Shanghai, March 4, 1939.

JAPANESE WAR WIDOWS

To the Editor:

Lately, due to the rapidly increasing number of war widows in Japan, the Imperial Government has been worrying much about the matter. According to a report from Hongkong, we learned that Japan will shortly "mobilize" 60,000 pretty young Japanese war widows and send them to China in order to convert young Chinese to become pro-Japanese in thought and action. How wonderful is this plan! Upon it, the writer desires to express some ideas as follows:

1. Throughout nineteen months of hostilities, Japan obviously has been unable to defeat China by her military and economic forces.
2. Japan begins to realize that China is an undefeated nation.
3. Chinese bachelors will never take up these Japanese war widows as regular wives, because young Chinese regard widows as a sign of bad luck.
4. If the Japanese Government wishes to solve the problem, I would strongly urge them to withdraw all their soldiers from China, so that the returned soldiers can become husbands to the pitiful war widows.

In conclusion, I sincerely tell the Japanese people and military leaders that young Chinese can never be seduced by Japanese war widows to convert their patriotism into pro-Japanese thought. What every young Chinese now demands is China's territorial integrity.

H. H. CHENG.

Shanghai, Feb. 28, 1939.

WHEAT IS WELCOME

To the Editor:

Everyone whom I have met has been most grateful for the crushed wheat which was contributed to Chinese refugees by the American Red Cross. We have distributed all but 16 sacks, which are being held in reserve, as we anticipate much distress when some of

THE CHINA WEEKLY REVIEW

Formerly Millard's Review
Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
C. FRANK GLASS, *Assistant Editor* HOH CHIH-HSIANG, *Editorial Dept.*
Advertising Dept.: TRYPHON V. KU, S. GRUENBERG
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PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, FOURTEEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO HANKOW AND ELSEWHERE IN CENTRAL, WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $30 A YEAR OR $17 FOR A HALF-YEAR.

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the winter relief schemes are finished at the end of March.

Various methods have been devised for preparing the crushed wheat, the most successful being to grind it for cooking as fine porridge, stewing it with other foods, including meats and vegetables, or mixing it with rice.

One Chinese woman who could read some English burst into tears of gratitude when she read the inscription on one of the bags, "From the American People to the People of China." I hope the Shanghai committee may be able to send 200 additional bags.

S. D. S.

Hangchow, Chekiang,
March 5, 1939.

HATES THE MILITARISTS

To the Editor:

We get the feeling that Japan may be cracking up from within. Dearly as we love her people, we hate the militarists so extremely that we hope this is so, as that would be best for the people in the long run.

But how about England? It seems to me that Chamberlain, Simon, Halifax and Hoare belong back with George III and Lord North. My wife and I have been called Anglomaniacs. We loved England so, but now she fills us with distressed amazement.

J. A. S.

San Francisco, Feb. 1, 1939.

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號認立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 88 | Shanghai, China, Saturday, March 11, 1939 | Number 2

U. S. May Drop Guam Fortification But Favors Huge Army-Navy Appropriations

ALTHOUGH not decided definitely, reports from Washington on Monday and Tuesday of this week indicated that the Administration may decide to withdraw its proposal for the fortification of Guam Island. The proposal to deepen the Guam harbor and establish a naval and civilian air-base, involving an expenditure of U. S. $5,000,000, is included in the so-called Naval Base Bill which provides for an initial expenditure of U. S. $ 52,000,000, on the development of ten naval and air-bases in Pacific waters.

Aside from Guam, the Pacific Naval-Air-Base Bill mentions the following islands where works of a military nature will be constructed: Wake Island, Midway Island, Johnson Island, Palmyra Island, Kodiak Island, Sitka, Alaska, Pearl Harbor, Hawaii, Kaneohe Bay, Oahu, Tongue Point Oregon. Of these proposed bases Wake and Midway Islands are links in the Trans-Pacific Air-Line to the Philippines and Hongkong-China.

The rejection of the Guam proposal by the relatively narrow margin of 37 votes in the House of Representatives on Feb. 23 was hailed as a victory for isolationist sentiment in the United States and also was received with considerable joy in Japan as an indication that the United States did not intend to interfere in the Orient. It is extremely doubtful, however, whether the actual developments warrant the expressed views, because both the Senate and House apparently have indicated their intention of approving the remainder of the Bill and at the same time have voiced their general support of the large Army and Navy appropriation Bills, largest ever approved in peacetime in the history of the country.

According to *United Press* messages from Washington on March 4, President Roosevelt asked Congress to augment the U. S. $500,000,000 War Department Appropriation Bill by an additional $123,839,287, thus bringing the country's total defense expenditures for the next fiscal year to more than U. S. $2,000,000,000. Some idea of the objectives behind the proposal was indicated in an itemization of the expenditures: $55,336,362 for Army ordnance such as semi-automatic rifles, anti-tank guns and aircraft defense. Seacoast defense, including new long-range coastal defense guns accounted for $44,000,000; miscellaneous defense needs called for a further $6,539,287; $730,000 for the training of 20,000 civilian pilots.

Another item of special significance was $766,284 to go toward building up the Army air force in the Philippines.

The Administration was also urging Congress to provide for increasing the Navy's enlisted personnel to a minimum of 113,050 men, required to man the 73 new warships now under construction. The number

"Watch Your Step"

Richmond Times-Dispatch

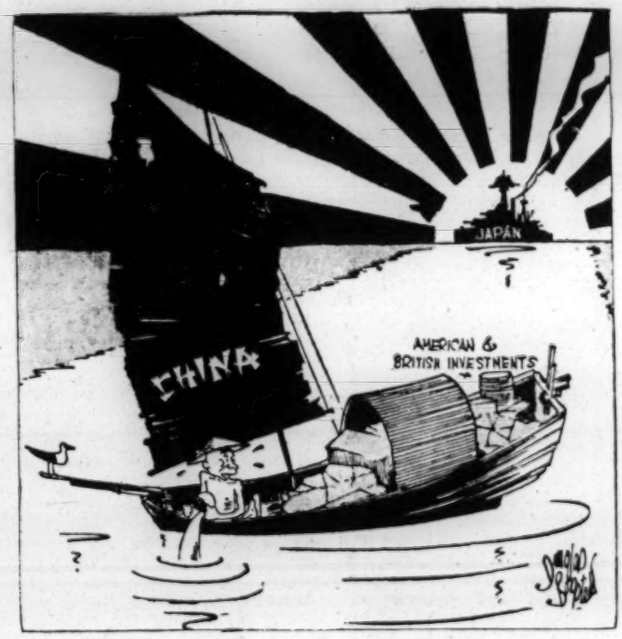
of officers in the Navy will be increased by 448, bringing the total to 10,634. Officer personnel of the Marine Corps will be increased by 73, bringing the total to 1,424, while the enlisted force in the Marines will be increased by 448, bringing the total to 10,634.

Democratic Representative J. Buell Snyder, from Pennsylvania, chairman of the Appropriations Sub-Committee said that the U. S. $500,000,000 War Department appropriation would include $50,000,000 for the purchase of 200 new war planes in addition to 565 provided in another measure, thus making a total for

the Army of 6,000 planes. Debate on the President's $365,000,000 emergency defense measure was opened in the Senate by Senator Morris Sheppard, Democrat of Texas who declared that failure to recognize the soundness of the President's proposlas might result in perilous consequences.

According to a telegram from Washington through the French *Havas* service (March 5) the Administration allegedly had decided to withdraw the proposal to fortify Guam in order to put an end to a controversy which some thought might endanger more important phases of the larger program. The chief opponent of the Guam proposal was Senator David I. Walsh, Demo-

"Sunset On China Sea"



Low in Syracuse Post-Standard

crat of Massachusetts, Chairman of the Senate Naval Affairs Committee. He alleged that "works, such as those proposed for the Western Pacific Island should not be undertaken at this time because they could be considered as threatening to Japan." The dispatch stated that Senate Naval Affairs Committee was determined to present the original Bill, despite Senator Walsh's objections, but it was thought that the Senator's opposition might quash the project.

An earlier dispatch (*United Press*), following the rejection of the Guam project by the House, expressed the opinion that the Senate might restore the deleted clause. Army and Navy officers were quoted as declaring that the fortification of the island would be the best way of convincing the Japanese that while the United States desired no complications it was 100 percent against aggression of any sort and disapproved the present trend of Japanese foreign policy.

Admiral William D. Leahy, Chief of Naval Operations, appeared before the Senate Naval Affairs Committee again on March 6 to renew the Navy's efforts to obtain congressional anthority for the plan of fortifying Guam Island. The Admiral declared that Guam's strategic position made it of inestimable value as a possible defense base, which would serve as a strong deterrant to "any foreign power contemplating a hostile move toward the Hawaiian Islands or the continent of the United States." He contended that Guam was of great value as a possible air and submarine base "from which to protect our overseas commerce from the Dutch East Indies. It was also valuable as a possible naval station and base for the U. S. Asiatic Fleet, particularly when the U. S. withdrew from the Philippines in 1946." He also protested against the impression that it was intended to build strong fortifications there immediately. He said that present plans only entailed the building of a breakwater and improvement of facilities for landing airplanes. In conclusion the Admiral stated that the Guam proposal was before the Senate in the U. S. $65,000,000 Bill for improving naval aviation facilities in a number of places, including the mid-Pacific islands.

The fact that Admiral Leahy appeared before the Committee for a second hearing indicated that the measure was not definitely rejected as implied in the statement by Senator David I. Walsh of Massachusetts, who opposed the Guam proposal and declared that it had been "shelved" for the present session of Congress.

An element in the debate on the Guam issue which apparently carried considerable weight was based on the proposition that the question of fortifying Guam should be held over pending a final decision on the Philippine Independence question. According to the Bill creating the Philippine Commonwealth which provides for complete independence in 1946 the United States and the Commonwealth previously must decide on the location of a permanment U. S. Naval base. Since the entire question of Philippine independence is again a matter of debate due to developments in the Japanese expansionist program, many senators and representatives thought it would be better to await a decision on the larger Philippine issue. Fred L. Crawford, Republican Representative of Michigan, expressed the opinion that work should not be started on "extended bases such as Guam .... until the United States had decided on its policy toward the Philippines and other world democracies". He forecasted that Japan would enter the Philippines economically and ultimately politically, after the American withdrawal and this would leave America's position at Guam "untenable."

Additional elements in the Guam controversy involved Japan's scrapping of the Naval Treaty four years ago which bound Japan, United States, Britain and France not to construct new fortificaitons in the Pacific. In the four years which have elapsed since Japan renounced the Treaty, she is reported to have fortified the Caroline Islands and established strong naval bases in the Pesca-

Time Magazine

dores and on Formosa. In view of Japan's action, Rear Admiral Arthur J. Hepburn recommended the placing of a standing force of planes, submarines and perhaps capital ships at Guam where they would be within practical fighting distance of the Carolines, Philippines and Japan—all well within an effective 1,500 mile radius of action. Such a force would also make possible cooperation with Britain's air and sea forces at Singapore in case Japan should attempt to seize the Philippines or move

toward the British and Dutch possessions in the East Indies.

Walter Lippman, Columnist in the New York *Herald-Tribune*, pointedly remarked that Congress should authorize the fortification of Guam, and then the State Department should invite the Japanese to discuss the question." It was stated that an American threat to fortify Guam prior to the Washington Arms Conference in 1921-22, had greatly helped in winning Japan's approval of the 5-5-3 naval ratio and stipulation against further fortifications in the Pacific.

The return of the American Ambassador, Nelson T. Johnson, to Washington at this time was looked upon with favor as he is regarded as an expert adviser on conditions in China resulting from Japanese aggression. As a result of Ambassador Johnson's extended stay in China (30-years, with short intermissions in Washington) he was depicted as a " modern Marco Polo, particularly in view of his trip over the China-Burma highway on his return to Washington."

Public opinion throughout the United States was deeply stirred, early in the debate, by a manifesto issued by an unofficial group of prominent men recommending the imposition of an embargo on shipments of airplanes and other war materials to Japan. The group was headed by former Secretary of State, Col. Henry L. Stimson, honorary chairman; and the following honorary vice-chairmen, Dr. A. Lawrence Lowell, President Emeritus of Harvard; Dr. Robert E. Speer, Secretary, Presbyterian Board of Foreign Missions; William Allen White, well known editor of the *Emporia Gazette*. Excerpts from their manifesto were to the following effect:

"America is indignant at the aggressive war in China with its cruelties to helpless civilians, but Americans—through lack of knowledge or indifference—go on ignoring the fact we are supplying the Japanese aggressors with the sinew of war: scrap iron, oil steel, trucks—all more necessary to her than manufactured munitions.

"With one hand we supply the essential materials to the Japanese military machine . . . . With the other hand we spend billions for armaments which will protect us against the mounting threat of aggressor nations. It does not make sense."

Aside from Senator Walsh, chief opponents of the Guam project and other phases of the new U. S. policy of aligning the United States with the Democratic Powers against Japanese-Nazi-Fascist set-up, included Senator William E. Borah, independent Republican of Idaho; Senator Bennett Clark, Democratic isolationist of Missouri; Senator Robert M. La Follett, Progressive of Wisconsin; Senator Gerald P. Nye, Republican of North Dakota. According to a *Reuter* report from Washington, a group of 12 isolationists in the Senate had proposed revival of the so-called Ludlow Amendment to the Neutrality Act, which would compel the U. S. Government to hold a national referendum before Congress would have power to declare war even though the country was attacked. Aside from the controversy over the question of fortifying Guam, another bitterly debated issue concerned President Roosevelt's action in permitting extensive sales of latest-model war planes to France and Great Britain. Senator La Follett charged that such secret deals " were similar to what happened before America entered the World War." Senator Borah charged that the United States had even sold war materials to Germany until the Nazis " began demanding colonies." Senator Nye urged the complete discontinuance of munitions sales abroad and alleged that the U. S. S. Panay was destroyed by Japanese planes using American gasoline and bombs made from American metal. Senator Clark, who once charged that all Americans who went abroad were "adventurers" declared that it had taken "just 20 years for the racketeers in Europe to drum up another war and invent every sort of trickery to inveigle us into it."

On the other hand Administration supporters such as Alben W. Barkley of Kentucky and Senator Josh Lee, Democrat of Oklahoma, defended the sale of planes to France and declared that every plane sold to France " meant one less needed for America .. . . if France had possessed strength comparable to Germany's there would have been no Munich and no destruction of Czechoslovakia."

CHUNGKING PROPOSES JEWISH SETTLEMENTS BE ESTABLISHED

A tentative suggestion that representations be made to the Chinese government at Chungking to set aside certain areas in China's southwest or northwest for the temporary or permanent settlement of Jewish refugees arriving in this country from Europe has been made to the local Refugee Committee by Hollington K. Tong, China's vice-minister of propaganda, in a telegram to M. Speelman, who is in chairman of the local Refugee Committee.

Mr. Tong who, is in Chungking, has asked for an expression of opinion from the Committee as to whether a proposal of this kind should be made to the government, also whether it would be advisable to establish a semi-official employment agency to find work for Jewish technicians in China.

The Refugee Committee has indicated that it is interested in Mr. Tong's proposals and that these are now being studied from all angles.

COL. STIMSON'S PROPOSAL

A recommendation by Col. Henry L. Stimson, former Secretary of State, that the United States should prepare to take common naval action with Britain and France against the Fascist nations in the event of attack, indicated the extent to which public opinion in America has changed since the adoption of the Neutrality Act in 1937. At that time majority opinion in Congress was determined to keep America out of war regardless of what happened elsewhere in the world, thus encouraging Japan to march into China, Italy into Africa and Gemany into Austria-Czechoslovakia. While isolationist sentiment in Congress is still a potent factor, the realization is growing that German-Italian policies in Europe are "pinning-down" the British and French fleets in European waters and thus leaving the entire western Pacific Ocean exposed to the Japanese fleet. The Japanese naval advance into South China and Hainan proved that point. That Congress is debating the question of fortifying Guam indicates the tremendous advance which has been made in national thought on the Pacific issue since the passage of the Neutrality Act a year and a half ago.

While the U. S. Navy, responsible for the defense of the borders and possessions of the United States, undoubtedly would like to develop Guam as an advanced observvation point, the defeat of the Guam project would not mean America's withdrawal. The final Bill probally will constitute a compromise between the two points of view. The encouraging element in the situation is that the United States, after eight years of drift, has now reached the point where it must make a decision on the Sino-Japanese question. Should the isolationist point of view prevail it would only mean a further period of idle waiting with increased political dissention within the country. With a national election in the offing, it is inevitable that partizan politics should become involved, witness the almost solid Republican vote in the House of Representatives against the Guam fortification project.

Recent test votes have indicated that at least 75 percent of those asked to express an opinion, believe that America ultimately must make an armed stand against aggressor nations. Benjamin H. Kizer, in the course of an article dealing with " The Emergence of an American Policy " (*Amerasia* for February) said, " It shows plainly that the American people are realizing that the seas are no longer wide enough to enable us permanently to stay out of the conflict between Fascism and democracy now going on all over the world."

It is impossible to forecast the outcome of the debate in Congress on the Guam issue or the larger military measures now under discussion. But it is quite safe to predict that the present effective embargo on loans and widespread boycott of Japanese goods will soon be followed by more potent actions such as bans on the export of war materials and basic war materials such as scrap iron, oil, timber, motor trucks. These are steps toward the ultimate break—and Armageddon—unless the Japanese warlords have sufficient intelligence to take advantage of the present opportunity " to bring to an end her perilous " ride on the tiger,"

Chekiang Guerrillas Harass Nippon Invaders

Editorial Correspondence

By Donald M. Davies*

EIGHTY thousand Chinese peasants in coastal Chekiang province have been given rifles; ten thousand organized guerrillas and a varying but lesser number of regular troops have the anti-Japanese movement of the province well in hand, according to a competent military source near Shaoshing.

Tactics of these armed forces are similar to those of their brothers in the more famous Eighth Route Army and New Fourth Army. Those two organizations are Communist, but Chekiang's forces have no such connections. A few individuals are Kuomintang party men, the rest unaffiliated.

Their tactics include disruption of communications lines, raids on garrison positions, filching of food and ammunition supplies. Here are a couple of instances as told me by a reliable source:

A group of guerrillas gathered on the south shore of the Chientang river opposite Hangchow one night recently, crossed over and waited in a bamboo grove near a Japanese garrison center for dawn. Their position was 200 meters from the Japanese drill ground. The invaders came out for morning drill and the Chinese bided their time. When the Nipponese put down their arms and gathered to listen to the commanding officer's morning lecture on how to defeat the Chinese, the guerrillas opened up with a machine-gun and rifles. When the show was over, there were one hundred Japanese corpses, and about as many wounded. Chinese had less than twenty dead and wounded.

It was this incident, which sent a number of truckloads of wounded Japanese into Shanghai, that was responsible for the wild Japanese reports through *Domei* alleging a Chinese attempt to recapture Hangchow. The Japanese report alleged that the Chinese attempt had been frustrated with heavy losses.

Defenders in the Hangchow area, as in many others, are striking only when conditions are most favorable.

With the Guerrilla Fighters in Chekiang Province

Photos By Donald M. Davies

The pictures show, left to right (above): 1. Guerrilla fighters clad in peasant garb firing from cover in war games which form part of their training. 2. About to conceal their rifles and pose as peasants in order to fool the Japanese, also as practise. 3. An officer plans a hypothetical attack for guerrilla recruits in northern Chekiang while war games are in progress. Below: 1. Girl political workers near the Hangchow front, and their officer, display war trophies captured from the Japanese troops, including flags and an officer's dispatch case. 2. Chinese boxing is part of the training given guerrillas. 3. A young girl political worker who gave up schooling to spread propaganda among the peasants is shown using part of an ancient temple as backdrop for anti-Japanese posters. She is working with the provincial militia in the Hangchow area.

**Mr. Davies, writer of this article returned to Shanghai last week from an extensive trip through the interior, where he served as correspondent for the Associated Press of America. After residing in Chungking for several months, Mr. Davies traveled into so-called guerrilla territory, one trip taking him within a short distance of the Japanese outposts at Hangchow, where he obtained the information presented in this article. Mr. Davies was born in China and speaks the Chinese language fluently. He is now proceeding to the U.S.A. by way of the Philippines, Netherlands Indies, India and Palestine.*

They risk few lives, the result being that the proportion of losses, formerly three Chinese to one Japanese, has changed radically in China's favor.

Another recent fray resulted from Chinese intelligence that about a hundred Nipponese cavalry were due to proceed from one garrison to another in the Hangchow area. Chinese waited behind graves for the horsemen to pass a spot picked as topographically most advantageous to the defenders. Again a machine-gun crackled against the invaders who were thrown into disorder, some dismounting and attempting to hide behind their mounts, others fleeing. Those who stayed were finished off in hand-to-hand combat and the balance of losses for the respective sides was overwhelmingly in favor of the Chinese. Some of the equipment captured from the Japanese in these two raids is shown in an accompanying photograph. Both incidents were related to me by a guerrilla officer who was on leave in a city near Hangchow.

Railway employees from the "lost land" have joined guerrillas and are now tearing up tracks which they formerly, kept safe for travel. Young people are also joining up, offering service as propagandists, money-raisers, and soldiers. Two small corps are called the Young People's Model Army, and the Young Women's Model Army, the former numbering about 100, the latter 40. Nearly a score of volunteers for the women's corps were refused due to physical weakness. Five were killed in the people's army, none in the women's group. The women, mostly students who have quit school to aid their country, have returned to a front just southwest of Hangchow after leave in a city outside the immediate war zone.

Also among the youths serving their country are Boy Scouts who are collecting scrap iron, gifts of money, food for the army and so on. Many students are doing political work or propaganda.

The result of these tactics is apparently successful. The Japanese, after a year's occupation of northern Chekiang, control the unimpressive total of eleven of the province's 72 *hsien*, or counties.

The spirit in the whole province is apparently high. An officer of the regular army explained this as a result of Japanese actions following conquest of any town or city. "Japanese butchery and grossness turns the people bitterly against them." he said. To this opinion many other Chinese have added confirmation.

The guerrillas seem well-supplied with food. Rice in the area just behind the field of operations is selling at eight or nine dollars a sack, while in Shaoshing it costs about twelve. Farmers and townspeople wrap rice in leaves and hang it on trees for the guerrillas. Japanese when they do venture out of garrisons (which is seldom), pass the food by, fearing the unknown. But native troops munch the manna at their leisure. Chickens and pigs are available at moderate prices, and it is said that townspeople from the rear even send up tinned food as their contribution to defense of the province.

Most of the guerrillas I saw were warmly clothed, apparently healthy and happy. Many seemed a higher class of men than might be normal for provincial militia, quite a number being educated.

Japanese strength in the entire province is estimated at 20,000, largely second-rate troops, including some Koreans and Formosans whose military ardor is not of the highest. A Chinese source informs that many of the Japanese are in their early 'teens and have had only the scantiest training. This report I could not absolutely confirm. Japanese equipment is more reliably reported to be of the second grade.

This northern part of the province is in the Third War Area, of which Gen. Ku Tse-tong is commander, but the groups with which I spent most of my time are provincial militia organized by Gov. Wang. They are naturally, natives of the province, whereas the New Fourth Army men are not necessarily so. Many of the latter are from Kiangsi, remnants left behind from the Communist occupation of the province previous to the "Long March".

There are five training camps for Chekiang troops and the monthly rate of conscription is about 16,000. However, they are given only three months' training.

Among the provincial troops, which use mobile tactics and may be classed as guerrillas, are former police, peasants and petty merchants' sons. Many come from the lost land occupied at least nominally by the Japanese. Their training work comprises classroom study as well as drill. They are taught the rudiments of strategy and the simple foundations of guerrilla tactics based on surprise and deception of the enemy.

Shanghai, March 5, 1939

Philippines Move to Close Davao to Nippon Ships

The port of Davao, metropolis of Mindanao, large southern island of the Philippine archipelago, may shortly be closed to Japanese shipping, according to *United Press*. Davao contains the largest Japanese population of any city in the Philippine Commonwealth. Most of the Japanese are engaged in the production and manufacture of hemp, which is controlled by a Japanese monopoly. In recent years the Filipinos have attempted to prevent expansion of the Japanese colony by embarking on a program of colonizing and developing Mindanao Island which is regarded as one of the richest areas in the Commonwealth. The Japanese tried to counter this by encouraging Japanese men to marry Filipino women who could legally hold land in their names and thus circumvent the laws against alien ownership of land. Owing to the extensive hemp trade, Davao now ranks fourth among all Philippine ports in the value of its foreign trade.

Commonwealth officials argued that the closing of Davao to foreign shipping would give inter-island shipping a chance to control the Davao trade which is almost entirely in the hands of aliens. Jitaro Kihara, acting Japanese Consul-General in Manila protested against the Philippine proposal. It was rumored in Manila that the closing of Davao would be a fitting retaliation to the Japanese for their actions in North China and the Yantsze Valley.

A later report from Manila (March 4) through the German *Transocean* service quoted the American paper, *The Manila Bulletin* as stating that other Philippine ports, in addition to Davao, may be closed to Japanese shipping. It was alleged that this action might be taken because of the Japanese action in smuggling goods and immigrants into the Philippine Islands.

Kwangtung Has Ample Food Supplies, Says Dr. Lin

Two bumper crops of rice, plus the Japanese occupation of Canton, have solved Kwangtung's food problem, in the opinion of Dr. D. Y. Lin, director of the bureau of agriculture and forestry of the province, who arrived in Hongkong recently. Dr. Lin stated that the occupation of Canton had forced most of the population of that city to migrate to the interior villages where there always was a sufficiency of native grown rice, although of an inferior quality. Previously, the Cantonese would not eat the rice produced in the interior of Kwangtung, but imported supplies of higher grade produce from abroad. Another element involved was the difficulty of transporting rice produced in the interior to Canton. This has been solved by the Cantonese migrating to the interior where the native rice is produced.

According to Director Lin, the production of minor food crops in Kwangtung in the present winter has been exceptional. For the first time in many years there were no floods in the fall months, thus giving the farmers a chance to cultivate winter crops. He siad that the Government was carrying out an emergency food production program which had been formulated in 1937 when the war started. Technical men were stationed in the different districts to advise and cooperate with the farmers. Public graneries had also been established. A provincial bank headed by Dr. Y. C. Koo had also been of great assistance in financing colonization schemes enabling refugees to rehabilitate themselves on waste land.

Dr. Lin stated that the previous population of Canton, estimated at 1,200,000, had consumed 10,000 piculs (1 picul equals 133 pounds) daily. The decreased population of Canton, due to Japanese occupation, had eliminated the problem of supplying rice to that city, at least from the standpoint of the provincial officials, who had provided for sufficient stored supplies for the rural population not only in Kwangtung, but also in Kwangsi and Hunan.

Shanghai's "Hollywood" World's Largest Gambling House

Prior to the Japanese invasion the Jessfield suburban area of the International Settlement was noted for two things, the oldest and best known Missionary educational institution in east China, St. John's University, and Jessfield Park, Shanghai's largest and finest open space, superintended by an expert gardener imported from England.

In recent months the Jessfield area has been provided with an added attraction which is quite antipathetic to the other two. The reference is to the so-called Hollywood gambling and "Coney Island" resort which has been built up adjacent to Yu Yuen Road a short distance west of Edinburgh Road, on the right hand side as one approaches the entrance to Jessfield Park. The front of the place is illuminated with blue neon lights at night and directly back of the entrance is an illuminated tower which may be seen from a considerable distance.

Hollywood, when opened in the summer of 1938, was a family recreational place with dance-halls, bicycle track, pony-carriages, donkeys for children, air-rifle shooting galleries, prize drawing

Entrance to "Fortune"?

places, soft drinks and a Chinese theater where free shows were given. A 20-cent admission covered everything. It was rumored that a German had something to do in promoting the enterprise, others said the land had been leased by a Japanese Company.

Later in the fall, it began to be rumored that Hollywood had been transformed into a gambling casino. This was not exactly true because the gambling casino, consisting at first of a one-story cheaply built shack, was on land which adjoined and was connected with Hollywood. Visitors could pass directly from Hollywood to the gaming casino, in fact a covered passageway was provided for that purpose. Later three separate entrances for the gambling place were opened, two on Yu Yuen Road and one leading to a back street (Brenen Road).

The Hollywood Casino grew like the proverbial bay tree. Carpenters, working night and day, could not keep up with the flocks of patrons consisting of Chinese, men and women, old and young. Chinese refugees of the more opulent classes who had come here from interior places, flocked to Hollywood where they hoped to recoup fortunes lost to Japanese invaders in other sections. Or, they sought to forget their troubles by smoking the opium, provided free by the management in more than a dozen divans separated from the gaming rooms by curtains only. Other patrons included Shanghai shop-clerks by the thousands, gangsters, seasoned gamblers, old men and women, cabaret and sing-song girls, etc. The new buildings now cover practically a block, making Hollywood probably the world's largest gambling house.

Hollywood has been operating about eight months. Here are the latest statistics: Average attendance from 3 o'clock in the afternoon to 11 P. M., 4,000 (it actually stays open the full 24 hours). Number of employes, including some 400 guards armed with Mausers, 750. Most of the operators of the games are Cantonese, many of them young women. Boys and other servants who serve the free drinks and food are local products. The most popular games are "Tou-tsi," of which there are more than a dozen tables. It is played with dice and is popularly known as "Chuch-a-luck," In addition there are two large rooms, one for foreigners, which contain roulette tables. Latest innovation are several fan-tan tables operated in Portugese Macao-fashion, with an opening in the ceiling from which players on the second floor may also make bets. Women may play here without actually sitting at the tables.

Gross income from all of the games averages from $20,000 to $25,000 daily. Since the operating expense is about $4,000 daily, for heat, light and wages, it leaves a comfortable margin for "taxes" which are paid to the official protectors of the enterprise, the so-called "Special Service Section" of the Japanese Army and the local puppet or "Ta-tao" Government.

Foreigners, mostly tourists, who visit Hollywood, number about 20-25 daily.

The Hollywood resort is the only one in the Jessfield district which appears to have 100-percent protection as no bombs have been thrown there and there have been no hi-jackers or bandit raids such as have occurred at the other joints on Brenan, Edinburgh and Jessfield Roads. Furthermore, and this has been regarded as of some significance, the Municipal Police of the International Settlement have never barricaded the entrances to Hollywood as they have the other resorts in this district.

While Hollywood is obviously protected by the Japanese and their puppets, the actual ownership is not known. A correspondent wrote *The Review* recently suggesting that the ownership was vested in the gambling ring which previously operated the large casino at Shumchun on the border between British territory at Hongkong-Kowloon and Chinese territory at Canton. When the Japanese occupied Canton the Shumchun gamblers fled to Hongkong and now may be the actual operators of Hollywood. The head of the Canton gambling syndicate, which previously paid Gen. Chen Chi-tang, controller of Kwantung, more than $2,500,000 annually, was Fok Chi-tung. Whether he is now in Shanghai is not known. It is obvious, however, that the operators of flourishing and expanding and well-protected Hollywood are not amateurs. As our correspondent stated, "They would know their way around anywhere."

Editor Lunt Thinks Shanghai Is "Improving"

Carrol Lunt, Shanghai editor, who is now in Tokyo interviewing prominent personages and studying "social phases in Nippon under the current state of national mobilization," thinks that conditions in Shanghai are improving—under Japanese control. According to a dispatch from Tokyo published in the *Manchuria Daily News*, organ of the Kwantung Army at Dairen, "Mr. Lunt went on to say that economic conditions in Shanghai, where he lives, are improving under Japanese control." Continuing, the dispatch said that after discussing "the realities of Japan's mission in China," he planned to proceed to Manchuria where he hoped to see General Kenkichi Ueda, Yosuke Matsuoka and other notables.

In the course of a discussion f the policy of his new magazine *Spotlight* with regard to the selection of pictures, he said that he obtained pictures of fighting from *Press Union Photo* "with the permission of the military authorities on the Japanese side." As for the Chinese side, he obtained pictures from *Central Photo Agency* at Chungking, but since they are late in arriving the ratio of pictures in *Spotlight* is "40 percent for the Japanese and 10 percent for the Chinese." Recently when an attempt was made to assassinate a *Press Union* photographer in Shanghai, the Japanese military authorities here announced that the photographer was an "employe" of the Japanese Army.

Discussing the picture situation generally, Editor Lunt said: (*Asahi Shimbun*) "For the sake of propaganda and money-making, Chinese cameramen take pictures of Chinese dressed as Japanese committing atrocities and have them sent to the United States with the names of Americans as senders. The magazine *Look* ran awful anti-Japanese pictures under signature of one 'Farmer' and created quite a sensation... This was the work of Chinese cameramen I'll have nothing more to do with concocted Chinese pictures."

Chungking Calm as Date For Evacuation Arrives

WHILE March 10 has been set as the date for the evacuation of the civilian population, official Chungking remains unperturbed, despite repeated Japanese airbombings of the city. Government offices in the wartime capital are functioning as usual, and a report that it may be transferred to Kunming has been officially denied. However, as a precautionary step against future Japanese air raids, some offices are to be moved outside of Chungking, but it is definitely stated that the ministries of Finance and Foreign Affairs are remianing in the city.

Chungking lately was the scene of many important conferences. On March 1, the National Finance and Educational Conferences were opened, presided over respectively by Dr. H. H. Kung and Chen Li-fu, finance and education ministers.

The finance conference was attended by some 200 bankers and financial experts as well as representatives of provincial departments of finance. It is understood that concrete measures for financial rehabilitation and economic reconstruction, especially relating to stabilization of the national currency and development of the export trade, were discussed, but decisions of the conference have not yet been made public.

With an attendance of more than 300 educational leaders, including presidents of various national and private universities, the educational meeting devoted particular attention to the financial problems and difficulties of the nation's educational institutions during the war of resistance. The question of the relative importance of various academic studies in the period of national emergency was also discussed. Another important item on the agenda was the improvement of educational work in the rural districts and frontier regions.

Chiang On Education

Addressing the conference, Generalissimo Chiang Kai-shek urged that particular attention be paid to wartime education. However, he said, the conference would also have to keep in mind China's educational program after the war was over. He emphasized the importance of coordinating education with military, political, social and economic activities.

A Reconstruction Conference was also held at Chungking, about 300 prominent Chinese industrialists and engineers participating in the meeting and centering their discussion on measures and projects for reconstruction and industrial development, especially, of Northwestern China.

Speaking at the conference, Education Minister Chen Li-fu stressed that besides the question of strengthening the national defences, one of the most urgent tasks was the development of industries in the hinterland. Gen. Chen Cheng, director of the Political Department of the Military Affairs Commission, emphasized the importance of an immediate expansion and development of communications in the interior of the country.

Extensive reforestation projects were also discussed at the meeting. As a result, a new school of forestry was planned and will shortly be established at Chungking.

Land reclamation projects are receiving the serious attention of the government. Upon the recommendation of Chen Shouming, well-known overseas industrialist and member of the People's Political Council, a West China Land Reclamation Corporation will be established under the joint auspices of the Szechwan Provincial Government and overseas Chinese industrialists. The concern will undertake reclamation and mining enterprises in the western provinces and will be capitalized at $10 millions. Of the capital required, one half will be raised among the overseas Chinese communities and $1,000,000 by Mr. Chen personally. The remaining sum will be contributed by the Szechwan Provincial Government and various Szechwan leaders.

In pursuance of a resolution of the recent meeting of the People's Political Council, General Chiang Kai-shek has appointed a preparatory committee for reconstruction in Szechwan and Hsikang, which will be charged with the duty of devising detailed measures for the economic development of the two provinces. After being approved by the Council, these measures will be submitted to the National Government for consideration and adoption.

For the relief of war refugees, the Kiangsi Provincial Government recently established a land reclamation area in southwestern Kiangsi, covering 12,000 mow of uncultivated land. Some 2,000 refugees have already been dispatched to the area for reclamation work.

Marking a further development in China's communications system, the new long-distance telephone service between Chungking and Kunming (capital of Yunnan) was formally inaugurated on March 1.

Less publicized but no less important is the annual meeting of the China Geological Society, now also being held at Chungking. Presided over by Dr. Wang Wen-hao, China's leading geologist and Minister of Economics, over 100 geological experts are attending the meeting.

Stern disciplinary punishment was administered to Lt.-Gen. Mo Hsi-te, Kwangtung division commander, last week, when the Inspectorate-General for the Enforcement of Military Law sentenced him to 10 years' imprisonment. Mo, it may be recalled, was garrison commander in the Bias Bay area in southern Kwangtung at the time of the Japanese invasion of South China in October last. It was mainly due to his failure to put up a strong resistance and his delays in the execution of military orders that the Japanese landed virtually without meeting any opposition.

Popularity of "Scalping" Parties

Washington (D.C.) Post

Defense of Hainan

The Japanese are apparently not having an easy time on Hainan Island, for their further penetration into the interior is being checked in many directions. In an order to Gen. Wang Yi, Garrison Commander of Hainan, Gen. Chiang Kai-shek urged that the island be defended to the very end. Gen. Wang was instructed to lead and mobilize the entire population of the island in resisting the Japanese invaders.

Sergeant Chang Nai-hsun and Liang Shang-tung were recipients of government honors. Sergeant Chang, instructor of the militia units of Wuchih, in northern Honan, was awarded an Encouragement Medal and

a wooden tablet for bravery in resisting the Japanese and for his contribution of $1,590 for the upkeep of his men. Mr. Liang, a member of the People's Political Council, who was severely wounded during a Japanese air raid on Nanchang and subsequently lost an arm, was commended for his loyalty and faithfulness in the discharge of his duties by Gen. Chiang Kai-shek. Mr. Chang recently recovered from his wounds and returned to the Kiangsi war zone to resume political work among the soldiers.

Confidence in China's victory over Japan in three years was expressed by Gen. Chen Cheng in a speech at the meeting of the China Branch of the International Peace Campaign at Chungking. Gen. Chen arrived at this conclusion following an analysis of the present conditions confronting Japan, her mistakes in strategy, her economic weakness and her international isolation. "So now if we continue our war of wear and tear for two or three years," Gen. Chen asserted, "victory is surely ours."

Speaking on the same occasion, Chou En-lai, communist leader and vice-director of the Political Training Department, pointed out that by her heroic resistance during the past 18 months, China had won international sympathy and support. Internally, Japanese aggression has hastened the unity of all parties in China, which, guided by the Three People's Principles, are fighting like one man for the country's freedom and independence, he declared.

Premature peace would mean for China a sacrifice far greater than war itself, in the opinion of Chang Chi, veteran member of the Kuomintang Central Supervisory Committee. "We must continue our resistance, no matter how long it will take us, against Japan's attempt to conquer and enslave us," Mr. Chang urged.

A protest against the bombing of civilians by Japanese planes was filed with the League of Nations by Victor Hoo, director of the office of the Chinese Delegation to the League. The protest was accompanied by a detailed list of the bombings between May 5 and Dec. 31 last year.

Henri Cosme, new French Ambassador to China, arrived at Chungking this week and will shortly present his credentials to the National Government. M. Cosme called on Foreign Minister Wang Chung-hui on Monday.

Chairman Lin Sen of the National Government cabled the Vatican, congratulating Cardinal Pacelli on his election as Pope Pius XII.

The most fashionable talk in Japan last week was the "New Order" in Asia, because the week was designated by Tokyo as the "New Order Week." Observance of the occasion culminated in a lengthy speech by Baron Hiranuma, the premier, who told his listeners that the "New Order" meant simply Japan's overlordship in Asia, overthrow of the Kuomintang Government in China and a united front against Soviet Russia.

Japan's "Sacrifices"

In the words of Hiranuma, Japan is now making great sacrifices in the China conflict, "in order to make China protect her independence and achieve her own rebirth so as to take her share in the New Order in Asia." Hiranuma urged that a reborn China cooperate with Japan and that revival of Oriental moral principles and the strengthening of the anti-Comintern campaign in the Far East were essential for the establishment of the projected "New Order."

After proclaiming Japan's ability by armed might to settle the China incident satisfactorily, Hiranuma concluded his address with an appeal to China and Manchukuo to participate in the construction of a New Order in East Asia under the leadership of Japan.

Despite a denial issued by the Tokyo Foreign Office, considerable speculation has been aroused in connection with the *Asahi Shimbun* report that an understanding had been reached between Japan and Portugal. According to the report, the understanding includes Portugal's recognition of Manchukuo, conclusion of a trade agreement, Japanese cooperation in developing Macao, closing of the Chinese Maritime Customs office in the Portugese colony and opening of a Japanese consulate there.

"Mayor" Fu Siao-en seems to be sitting on uneasily in his Kiangwan office. On the one hand, the Japanese are said to be dissatisfied with him. On the other, his failure to get a subsidy from Nanking and his dismissal of a large number of puppet officials on the pretext of economy has embittered many of his subordinates.

Fu's quarrel with Nanking started when he extended the jurisdiction of his bogus regime to the ten *hsiens* near Shanghai and thus deprived Nanking of any revenues in these districts. The conflict came to a head, after Fu attempted to take over all the "judicial functions" in areas under his control, following the assassination of Tu Fu, puppet head of the Nantao District Court. As a result, Nanking refused to grant Fu the promised $400,000 monthly subsidy.

Meanwhile, a bitter fight also developed between Fu and the puppet "Kiangsu Provincial Government" at Soochow over his claim of Kiating as part of the "Shanghai Municipality." The issue has not yet been settled.

Fu's unpopularity with Nanking, Soochow and his own subordinates has given rise to persistent rumors that he might soon be removed from his post in Shanghai and transferred to Nanking as "Commissioner of Municipal Affairs," in order that Nanking may keep a better watch on him and his intrigues.

Nanking has a new commissioner of finance in the person of one Hok Peng, who is said to have bought the job at a cost of $100,000.

Some 109 trained puppets are expected to graduate from the so-called Reformed Institute which has been operating in the seized premises of the Fuh Tan University in Kiangwan. Eighty-three of the graduating students sailed this week for Japan on a free tour, where they will undergo further training in ways Japanese. They are expected to return to China before April 3, when they will be handed certificates qualifying them to work for the Japanese.

Following their occupation of Haichow, northeastern Kiangsu, the Japanese have set up a puppet peace maintenance commission with one Chang Li-ya as chairman.

Mongolian Organization

Complete eradication of Gen. Chiang Kai-shek's administration and communism and strengthening of pro-Japanese policies are openly declared to be the objectives of the so-called Mongolian Young Men's Association formed by the Japanese at Houho, Inner Mongolia. Some 50,000 Mongolian youths between the ages of 16 and 22 are enlisted in the association.

A report from Hanoi told of the dilemma in which Wang Ching-wei, expelled Kuomintang leader, was finding himself. Wang was said to have been given an official passport for a sight-seeing trip abroad and a sum of $200,000 by Gen. Chiang Kai-shek. Wang, according to the report, was anxious to get out of China, but his followers would not permit him to leave. Consequently, Wang remained undecided as to what should be his next move.

A new but costly device for promoting "peace" in China was the forgery of a daily paper. This happened with the *Ta Kung Pao*, whose forged editions were circulated in Shnaghai, advocating peace and anti-communist policies. The forged sheets were discovered by the publishers of the *Ta Kung Pao* at Chungking, which promptly issued a statement denying any connection with the bogus publication.

Exchange Control Operating in North

Foreign exchange transactions related to imports and exports in North China were to be monopolized by the Federal Reserve Bank beginning March 10, the Provisional Government in Peking announced as new regulations for the control of exchange were made public last week.

This step, which effectively divorces the currency in North China from that of the rest of the country, was to be enforced simultaneously with the withdrawal of all bank notes issued by various Chinese banks under the "Nationalist" regime. The regulations set the value of the F.R.B. dollar at 1/2d.

Exports from North China will not be permitted unless covered by a certificate of the Federal Reserve Bank testifying that foreign exchange against the goods about to be shipped out was acquired at the official 1/2d. rate at a bank designated by the Government.

Imports, Exports Affected

Both imports and exports from and to Central and South China will be handled in the same manner as those coming from or destined abroad. All foreign exchange acquired by exchange banks, designated as such by the Provisional Government, will be concentrated in the Federal Reserve Bank under the terms of the new regulations.

Foreign exchange coverage of import bills will be dealt with by the Federal Reserve Bank at its own discretion, while priority will be given, both in the case of imports and exports, to articles of military necessity, popular daily commodities and materials for construction and development. The Yokohama Specie Bank will be entrusted with the actual exchange transactions through its offices in Japan and abroad.

Meantime, the F.R.B. is establishing a Foreign Exchange Bureau in its main office in Peking. This agency will have branch bureaux at Tientsin, Chefoo and Tsingtao, and offices in Tsinan and Shihchiachwang.

In effect, the new regulations will cause North China to become part of the present Japan-Manchukuo currency bloc, which maintains an official exchange rate of 1/2d. against the Japanese yen or the Manchukuo yuan.

The Customs Authorities in Chefoo have notified the public that all exports to Central and South China are to be free of all control, excepting egg and egg products, walnuts, peanuts, peanut oil, apricot seed, cotton seed, tobacco leaf, vermicelli, coal, woollen carpets, straw-braid and salt. These items must be covered by exchange certificates issued by the Federal Reserve Bank showing that bills have been negotiated at the fixed rate of fourteen pence.

U. S. to Loan Sum of $120,000,000 to Brazil

The American-Brazilian agreement, publication of which was expected this week, will contain provision for the granting of a U.S.$120,000,000 loan to Brazil, according to a *Transocean* message from Washington. Of this sum, U.S.$50,000,000 will be placed at the disposal of the Central Bank of Brazil by the Federal Reserve Bank and a further U.S.$50,000,000 will be provided by the Reconstruction Finance Corporation for economic development of Brazil which will be used principally for financing the deliveries of railway rolling stock. The final U.S.$20,000,000 will be provided by the Export and Import Bank in the form of an exchange credit.

Britain to Grant £5,000,000 Loan For Maintaining Chinese Currency

A new loan to China, taking the form of an exchange stabilization fund of £10,000,000 to which two British banks are to contribute £5,000,000 and Chinese banks the other £5,000,000, was announced in the House of Commons Mar. 8 by Sir John Simon, Chancellor of the Exchequer. The British contribution will be guaranteed by the British Government and will be advanced at a low rate of interest, it was announced. Sir John Simon told the House that the stability of the Chinese dollar was "a matter of great importance to Britain, in view of our financial and economic relations with China."

With the war in Spain rapidly approaching its close, the diplomatic correspondent of the *Daily Telegraph* stated Mar. 6, the British government has been paying increasing attention to the question of hastening the end of the Sino-Japanese conflict. In this, he indicated, the methods apparently favored by London were increasing financial assistance to China and corresponding economic pressure on Japan.

For example, he contended, it lies within the power of Britain, the United States and Holland combined to place great obstacles in the way of Japan obtaining certain supplies essential to intensive prosecution of the war in China. Consideration, he revealed, had been given in recent weeks both by London and Washington to direct means for bringing pressure to bear on Japan in the strictly economic field.

Defenses in the East

Another item bearing on the British attitude toward Japan was contained in a dispatch from London pointing out that in the naval estimates published Feb. 28 a sum of £5,000,000 was included for strengthening the British Empire's chain of fortifications in the East as represented by the bases at Singapore, Trincomalee and Aden. This, said the *Daily Express*, was the most interesting item in the estimates.

The strongest language heard in either of the British houses in connection with Japan's campaign in China was employed Mar. 1 in the House of Lords by Lord Strabolgi, formerly very well-known as Lieut.-Commander J. M. Kenworthy, especially between 1919 and 1931 when, as a member of the House of Commons, he acquired a reputation as a forceful debater on foreign affairs.

Lord Strabolgi accused Japan of waging war on China with the "utmost cruelty," of deliberately debauching the Chinese population in Manchuria with opium and other harmful drugs, of wantonly destroying Chinese universities and seats of learning, of producing "corrupt and dishonest" administrations in the occupied territories, and of committing the "most abominable acts" in attacking fishing junks with airplanes.

He went on to declare that China was engaged in fighting Britain's battles. If Japan succeeded in China, he said, Australia would be threatened. After two years of tremendous struggle, it was common knowledge that Japan was economically vulnerable. She would be particularly vulnerable at the present time to economic pressure.

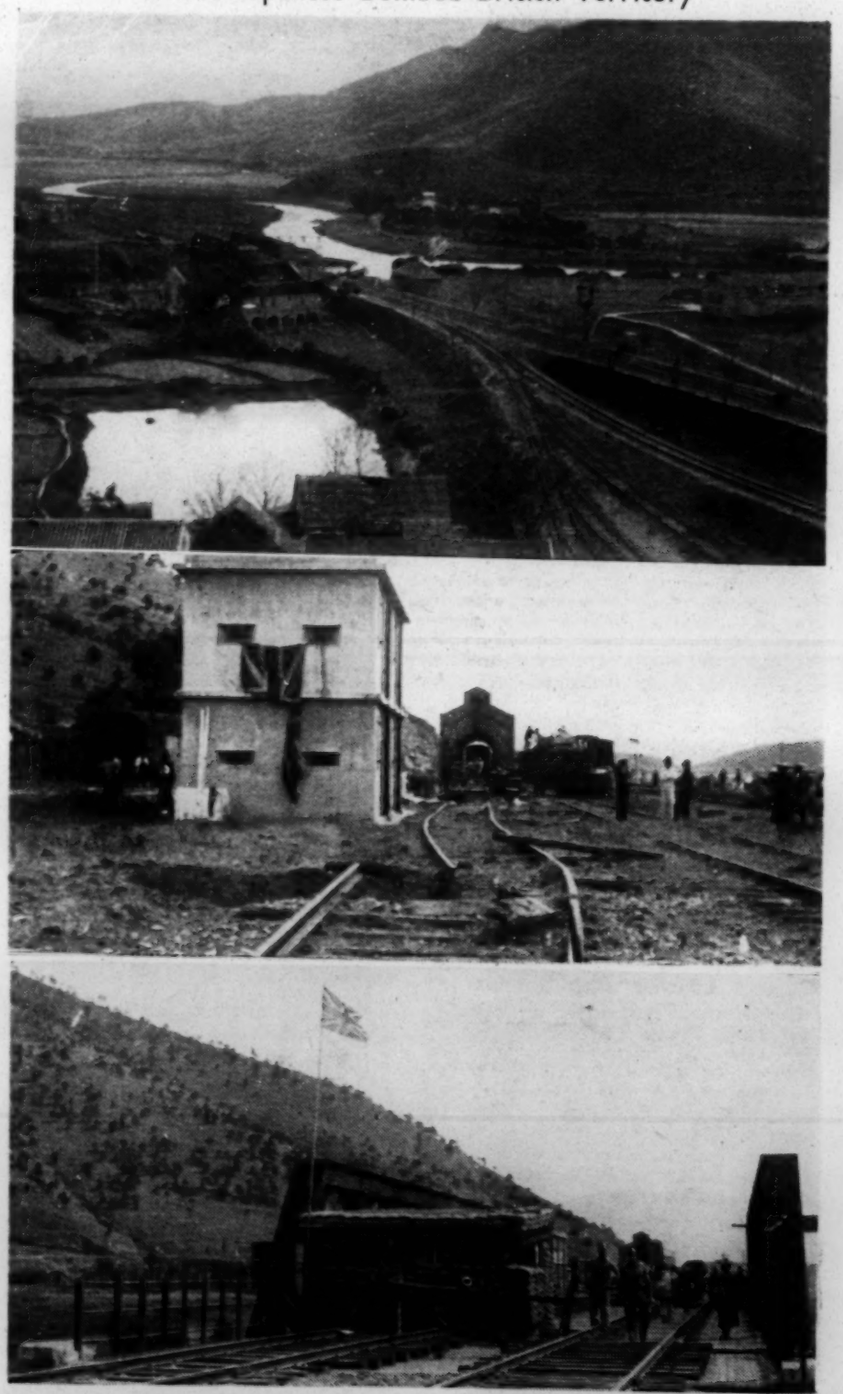
"Our friends in China," he continued, "and our fellow-citizens of Chinese race, of whom we have many million good subjects in our Eastern possessions, are puzzled and disturbed because we have not been more active in seeking means to bring this horrible struggle to an end."

Among several questions which Lord Strabolgi formulated in the course of his speech was one in which he asked whether Britain had any joint policy with other interested Powers for bringing the Sino-Japanese hostilities to an end.

Lord Plymouth, replying for the government, said that Britain had communicated to the Chinese and Japanese governments her willingness at any time to lend her good offices in a mediatory capacity and that the government would not hesitate to take all necessary steps as soon as the moment appeared propitious.

To this Lord Plymouth added that "it would be difficult and erroneous to say that he thought there were prospects of ending the Sino-Japanese war speedily by bringing pressure to bear upon Japan. Nevertheless, the British government was keeping in close and constant touch with the Powers

Where Japanese Bombed British Territory



While engaged in operations against Chinese troops in Shumchun, at the border of the British Kowloon territory, on Feb. 21, Japanese aviators dropped bombs on the British side of the border causing casualties and damage for which they have now paid $20,000 compensation. Above is a general view of the scene of the action, showing the Shumchun railway bridge and the river beyond—the foreground is British territory. Center picture shows the damage which bombs did to the tracks, while below a party of British troops is seen at a sandbag fortification on the Shumchun bridge.

concerned on matters affecting their mutual interests, with a view to securing a settlement which would be fair and just to both sides, and would take proper account of the interests of third parties. He did not regard the prospects for mediation as good.

Says Japan Cannot Win

In press interviews on his arrival here Tuesday, after a year's absence abroad, Sir Victor Sasson expressed the opinion that Japan could not win the war in China even though she scored in battles. Nor did he believe Japan's resources were equal to exploiting the occupied territories in China. On the question of the possible imposition of sanctions against Japan, Sir Victor expressed opposition to any such move. Sanctions, as proved in the case of Italy's war in Ethiopia, were ineffectual, he contended.

References to Sir Victor were made here on Mar. 6 by Seigo Nakano, veteran Japanese politician of the Rightest-Agrarian *Tohokai* party, in the course of a fiery outburst in which, during a speech at the Tairiku Auditorium, he declared that Japan's legions were fighting in China to kick out the red menace of Soviet Russia and terminate the "imperialistic invasion" of Great Britain.

The visiting Japanese politician declared that "Whitehall is Sir Victor's agent so far as East Asia is concerned. Sir Victor is the man who brought about the conversation between Sir Robert Craigie, British ambassador in Tokyo, and Gen. Kazushige Ugaki, then foreign minister of Japan, concerning the safeguarding of British interests in China. And now Sir Victor has been trying slyly to cajole the Japanese financiers and businessmen in Osaka on his way back here."

Continuing, Mr. Nakano had the following to say: "The man who was frightened the most over the bombing of Canton by the Japanese planes early in June of last year is none other than Sir Victor Sassoon. His rights and interests, rooted all over the Yangtsze Valley and southern China, were menaced by the capture of Canton."

Japan has paid the Hongkong government $20,000 as compensation for the loss of lives and damage caused by the bombing of British territory in Kowloon, near the Chinese border, by army aircraft on Feb. 21, according to a *Domei* report originating in Hongkong. One Indian policeman and 11 Chinese were killed by bombs, which also wrecked a blockhouse in British territory at Shumchun.

Britain May Lose Big China Order for Cloth

Apprehension is growing in Lancashire that Great Britain may fail to secure a 20,000,000-yard cloth order from the Chinese government, due to lack of facilities for financing the deal, *Reuter* reported from London Mar. 4. Value of the order was given as £500,000, with at least six months' work for hundreds of cotton operatives.

It is hoped that the Export Credits Department will provide help to enable Lancashire to secure the order, but on the Manchester Royal Exchange it was stated that little progress had been made. Should financial facilities not be made available, it is feared the Chinese government will place the order elsewhere, possibly in America, *Reuter* said.

Chamberlain First Tory to Attend Soviet Reception

For the first time since the establishment of the Soviet regime in Russia, a British Conservative premier and part of his cabinet retinue attended a reception at the Soviet embassy in London on Mar. 1, *Havas* reported, listing among the guests Prime Minister Neville Chamberlain, Sir Samuel and Lady Hoare, Sir John Anderson, Sir Thomas and Lady Stanley, Lord Plymouth, Mr. Winston Churchill, together with most of the foreign ambassadors. The London press interpreted the Premier's presence at "one of the most brilliant soirees ever held at the Soviet embassy" as a sign of rapprochement between Britain and the U.S.S.R. and as a proof of Chamberlain's desire not to take into consideration any "ideological divisions."

Roosevelt Hails Democratic Ideals in Anniversary Address to Congress

DEMOCRATIC principles and ideals were exalted by President Franklin D. Roosevelt and Chief Justice Charles Evans Hughes in addresses delivered before a joint session of Congress held in Washington on Mar. 4 in commemoration of the 150th anniversary of the first session of Congress.

Mr. Roosevelt declared that "a vast chasm" separated representative democracy from "those reversions to personal rule which have characterized recent years." The democratic principle, he said, affords "free choice by the body politic" while freedom is guaranteed by the Bill of Rights embodied in the Constitution.

Referring to religious freedon, the President asserted that it was "an essential of the rights of mankind everywhere and goes back to the origins of representative government. Where democracy is snuffed out, there also the worship of God in one's own way is circumscribed or abrogated.

"Shall we, by passiveness and silence, by assuming the sttitude of the Levite who pulled his skirts together and passed to the other side, lend encouragement to those who today persecute religion or deny it? The answer is no, just as in the first days of the United States Congress 150 years ago it was no," President Roosevelt declared.

"Today," he went on, "together with other democracies, the United States will give no encouragemet to the belief that our processes of government are worn out, or that we approvingly watch the return of forms of government which 2,000 years ago proved their tyranny and inability alike."

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Japan 'Overwhelmed' By Honor to Saito

An element of warmth and friendliness was this week injected into official relations between the United States and Japan as a result of the action of the U.S. Government in offering to transport to Japan on an American warship the body of the recently-deceased Hirosi Saito, former Japanese ambassador to Washington, who died in that city on Feb 26. Also appreciated were the eulogistic references to the deceased envoy made by President Roosevelt, who called personally on Mrs. Saito.

Japan was "overwhelmed" with gratitude towards the United States for the sympathy shown the nation and family of the late Mr. Saito, Hachiro Arita, foreign minister, told the Diet in Tokyo Mar. 4.

America's offer to transport Mr. Saito's ashes to Japan aboard a warship of the the U. S. Fleet was the subject of wide and appreciative comment in all Japanese newspapers. Terming it a token of the highest respect for Mr. Saito, who always strove for understanding and friendship between Japan and the U.S.A., the *Asahi Shimbun* declared that, coming at a moment when relations between the two countries had become strained due to the China conflict, it would also serve "to improve relations between American and Japan."

The House of Peers on Mar. 7 voted special thanks and appreciation to the U.S. Government and to President Roosevelt for the offer. Navy Secretary Claude A. Swanson announced in Washington the same day that the ashes of Mr. Saito would be sent to Japan on the *U.S.S. Astoria* March 18. The vessel would leave from Annapolis and reach Yokohama about April 18.

Gandhi Wins Concession From Ruler of Rajkot

A "passive resistance" struggle between Mahatma Gandhi, leader of the Indian independence movement, and Thakore Saheb, ruler of the native state of Rajkot, caused by refusal of the latter to institute certain reforms in his domain, was brought to an end on Tuesday of this week when the Mahatma broke a four-day hunger strike upon which he had embarked in order to force compliance with his demands. The ruler of Rajkot has promised to set up an advisory council to consider Gandhi's proposals.

Settlement of the dispute was apparently reached as a result of energetic intervention by the Viceroy on instructions from London, where fears were felt that Gandhi, regarded in many quarters as Britain's most valuable political asset in India, might die.

Burmese Capital Calmer

The situation in Rangoon, where rioting and bloodshed have been taking place during the past several weeks, has become calmer, according to a *Reuter* message from Rangoon on Mar. 2. On the same date, nevertheless, and according to the same agency, three persons were killed and 16 injured in clashes throughout the capital, while several houses were set on fire the previous evening. On Mar. 4, *Transocean* reported from Rangoon that 18 persons were killed and 218 injured in clashes between Hindus and Mohammedans.

More Jewish Victims of Nazi Terror Arrive Here

Swelling Shanghai's colony of Jewish refugees to well beyond the 4,000 mark, additional contingents of victims of Nazi oppression in Europe arrived here last Sunday—420 on the Italian liner *Conte Rosso* and another 17 on the German ship *Oldenburg*.

The problem of Jewish refugees in the Far East was raised Feb. 27 in the Japanese House of Peers by Mr. Katsuji Debuchi, former ambassador to Washington, who drew the attention of the government to the increasing number of Jews in the Far East, especially in Shanghai, as a result of the anti-Semitic campaign in Germany and Austria. A section of the Japanese public, he said, was manifesting concern over this problem which had already been aired in the Lower House.

Replying to Mr. Debuchi, Foreign Minister Hachiro Arita reaffirmed the government's stand of non-discrimination against Jews. Neither Jewish residents nor immigrants, he declared, would be treated differently from other aliens.

The Mongolians—Vanguards of China's Counter-Attack

BY C. Y. W. MENG (孟 昭 漢)

CHINA'S "Holy War of Resistance Against the Japanese Invasion" which has been going on for almost twenty months has now, militarily speaking, entered its "second stage" when the Chinese fight not only defensively but offensively, and when their counter-attack for the recovery of the "lost territories," not only within but also outside of the Great Wall, begins.

"Convert the enemy's rear into the war front." "Make Mukden the front line." "March to the Yalu River," are some of the most popular slogans in China today. They tell better than many pages of analysis China's present and future policy, and indicate the trend of events. In China's offensive war, the Mongolian people are destined to play a great and most significant part. They are in fact China's vanguards in the counter attack!

In the Tanaka Memorial, the Japanese militarists said that "In order to conquer China, we (Japanese) must first conquer Manchuria and Mongolia." Present Chinese policy is apparently that "In order to recover the lost territory, we (Chinese) must first save Mongolia." So in the past the Chinese authorities have spared no effort to save Mongolia from meeting the same fate as Manchuria.

The arrival in Chungking on February 8 of Prince Sha, chief of the powerful Ikhchao League of Inner Mongolia, shows the utter failure of the attempts of the scheming Japanese militarists, to secure his allegiance to their puppet regime, namely, the Mongolian Federated Autonomous Government. In the view of some observers, the Ikhchao League is important to the Chinese, because from it they could launch a counter-attack on Suiyuan and Jehol when the time ripens, and at the same time they could use it as a bulwark to defend the entire Northwest.

Prince Sha's Territory

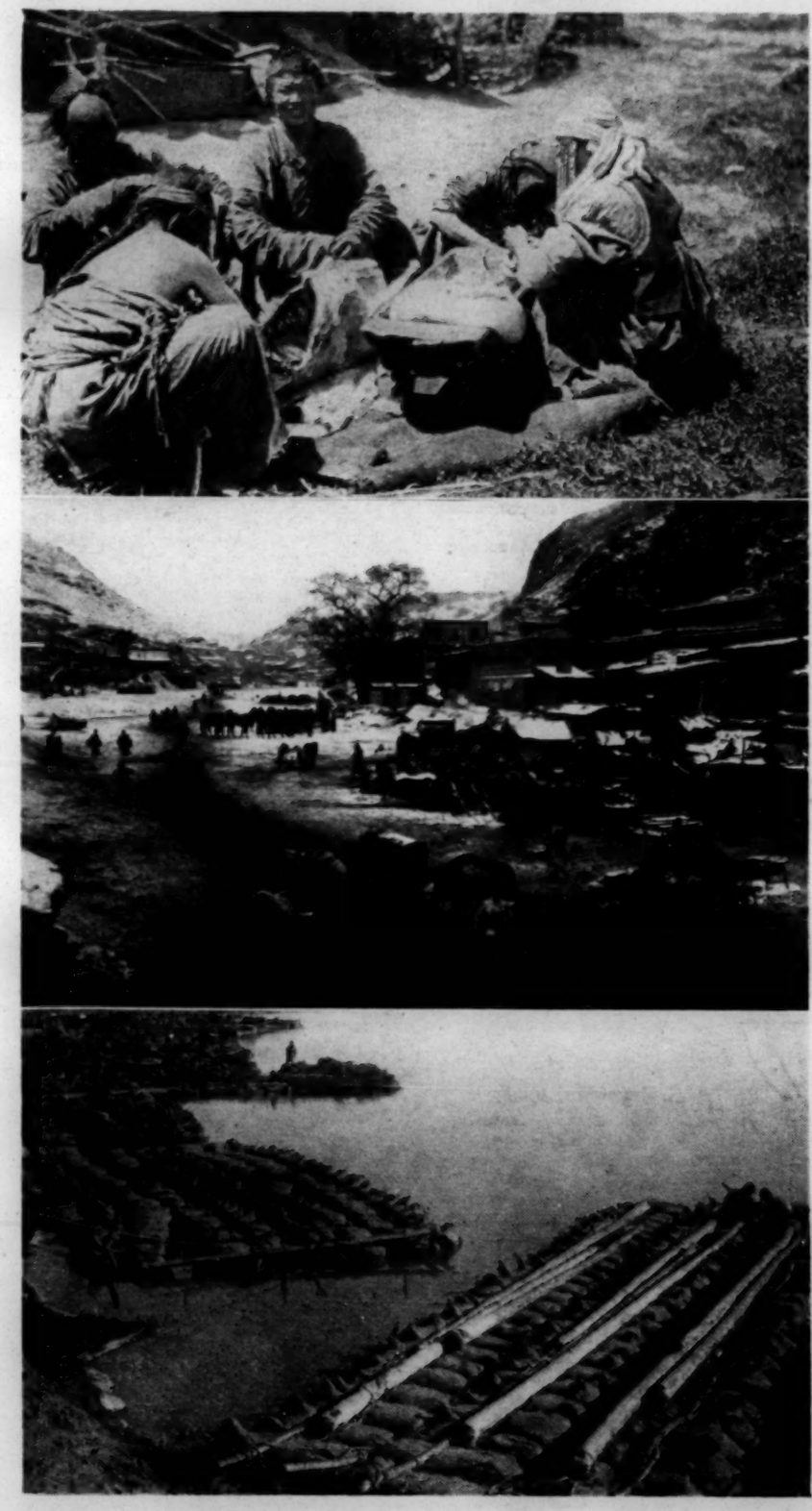
Prince Sha's principality lies south and west of the Yellow River, off the western terminus of the Peiping-Suiyuan Railway. Since the fall of Kweihua and Paotow in October, 1937, his treritory has stood right in the path of any future Japanese advance northwestward to cut China's international highway to Soviet Russia either at Sian or Lanchow.

According to well-informed circles, Prince Sha has worked hand in hand with General Fu Tso-yi, chairman of the provincial government of Suiyuan, to organize the local forces, known as the "Self-Defence Army" (mostly Chinese) and the "Paoantui" (mostly Mongolians), both of which took part in opposing the Japanese advance later on.

I am further told that when making speeches, Prince Sha always speaks in the Chinese Mandarin, although he does not speak so fluently. The reason, as he pointed out, is that the Mandarin is the Chinese national language and he employs it to indicate his devotion and loyalty to the Fatherland. In a speech which he delivered in Sian before a mass meeting held in his honor, he said, among other things, the following:

"...Before my departure from Mongolia, I called a mass meeting of the Mongolian people, and told them that in attempting to conquer China, it is the policy of the Japanese to bring about first the perdition of the Mongolian people... We are a glorious people who have achieved a wonderful record in the annals of world history... We could not acquiesce and let the enemy insult and conquer our people ...If we do not rise up voluntarily to re-

The Mongolians and Their Habitats



Above, typical representatives of the Mongolian race. Picture shows them engaged in cutting up a sheep carcase (pork is taboo). Center, camel caravans and donkey carts on the street of a Mongolian village near Kalgan. The countryside is overlaid with winter's snow. Below, cowhide and sheepskin rafts, common mode of Mongolian water transport, are seen on the Yellow River, en route to Paotouchen, which is in the territory of the Mongol prince who is the subject of the accompanying article.

sist, we shall be ashamed that we are the descendants of Huang Ti (The first Emperor in China), and we shall not be qualified to be the descendants of the Great Genghis Khan . . . In the event of a Japanese invasion of the Ikhchao League, you (the Mongolian people) must lead our people to resist stubbornly to the last . . . !"

The Japanese resorted to numerous devices to bring Prince Sha over to their side. Such devices raged from downright threats of force to attempts at kidnapping him and bombing him out of existence. But, somehow, the 64-year-old Mongol leader has survied them all.

It has been long one of the Japanese plotters' designs to create an "independent" state in Inner Mongolia. Since 1934-1935, they have pressed Prince Teh, chief of the Silingol League, into their service and placed him as the "figure head" of the so-called Mongolian Federated Autonomous Government with its seat at Kweihua.

Some time in November, 1937, Prince Teh, or rather his Japanese masters, decided to call an "All-Mongolian Congress" at Kweihua. In the eyes of the Japanese, the presence of Prince Sha at the congress was indispensable. For he is the chariman of the Local Autonomous Political Council for the Inner Mongolian Leagues and Banners in Suiyuan, created by the Chinese government in 1936 to improve relations between the Mongols and the Chinese authorities. This is a big name which the Japanese could use with advangate.

Japanese Maneuvers

An airplane was sent from Paotow to Prince Sha's headquarters at the Ikhchao League to fetch him. The Japanese emissaries who took the trip were most insistent, declaring that Prince Sha's refusal to go would be taken as "an unfriendly gesture." None too subtly, they reminded him of the powess of the Japanese army, and especially of their airplanes.

One of the decisions reached at the Kweihua congress was that the Ikhchao League must "come in" with the Mongolian Federated Autonomous Government or suffer the consequences of refusal. For a while Prince Yo, the son of Prince Sha, was held as a hostage, but later on was released and entrusted with a message to his father, demanding that the latter call a meeting of all local chieftains in his own league at Etsinhoro, burial place of the Great Genghis Khan south of Paotow, to discuss the incorporation of the league into Prince Teh's Japanese-dominated "government" at Kweihua.

Later on, an attempt was made to kidnap Prince Sha at Paotow, and to carry him away as a hostage for his surrender. But the timely arrival of the troops under General Ma Chan-shan, who put up a valiant resistance against the Japanese in Heilungkiang in north Manchuria in 1931 and who is now the commander of a large mobile force on the borders of Suiyuan-Shansi-Shensi, saved his life.

Needless to say, the handling of such a situation requires more than average caliber and an even stronger personality, greater integrity and firmer determination to resist temptation. Undoubtedly, the stand taken by Prince Sha not only saved the whole Ikhchao League but also the whole of Inner Mongolia, and the whole northern and northwestern situation, for the Chinese! Had Prince Sha yielded to the Japanese threat, I believe this would have been a more severe blow than the fall of Wuhan and Canton.

In an interview with foreign and Chinese pressmen on February 16, Prince Sha said that many Mongolian warriors are fighting bravely to oppose the invaders, among them being Brigadier-General Pei Feng-hai, Mrs. Kuo (widow of Prince Kuo) and Mrs. Shih (widow of Prince Shih), all of whom distinguished themselves for their bravery in repelling the Japanese attacks.

"The Japanese attack on Inner Mongolia serves to awaken from lethargy a great lion in the desert and to revive the traditional spirit of the eastern expedition (meaning fighting with the Japanese in the old days) of the first Emperor of the Yuan Dynasty", he emphasized. He assured the people that "the 12,000,000 Mongolians have sworn to resist to the last under the direction of Generalissimo Chiang Kai-shek, to squash all hope of the enemy for an independent state in Mongolia" and "to tear to pieces all the enemy's plots and intrigues."

Discussing some of the Mongolians now under Japanese rule, Prince Sha assured the people that "sooner or later the descendants of the Great Genghis Khan will come over to their Fatherland." In an editorial on "The Responsibility of the Mongolian People" (in the present war against Japan), the *Central Daily News*, official organ of the Kuomintang, commented that the Chinese and Mongols are bound together by "tradition and blood", and indivisible by any plot or intrigue.

Prince Sha came to Chungking to accomplish two things: first, to assume office as the only Mongol state councillor in the National Government, and secondly, to secure more assistance in the way of money and materials to train and arm the people in Ikhchao League for self-defence. He revealed that already 50,000 Mongols are under rigid training. Undoubtedly, these warriors represent China's vanguards in the counter-attack for the recovery of the lost territories.

Chungking, February 17, 1939

Japanese Claim N. China Now 90 Per Cent Pacified

Following the "completion" of Japanese mopping-up operations against Chinese "stragglers," 90 per cent of the districts in North China are now subject to the authority of the Provisional Government, a *Domei* message from Peking announced Feb. 24. It was claimed that almost the whole of North China is now safe for travel by civilians, except an area south of the Shihchiachwang-Taiyuan Railway, a hilly region east of the Tatung-Puchow Railway, part of the area southeast of Tsinan, part of the easternmost areas of the Shantung promontory, and an area east of the Shensi border.

In apparent contradiction of Japanese claims to have almost completed pacification of North China, reports received in Chungking and relayed to Shanghai by *Reuter* announced, also on Feb. 24, that more than 10,000 Chinese troops under Chen Tung-lai, Pai Hsui-ting, Chow Wen-lung and Hu Shih-hai, who hitherto have fought on the Japanese side, mutinied Feb. 21 at Lianghsiang and Fanshan, on the Peiping-Hankow Railway. The mutinous troops, it was declared, were engaging Japanese forces southwest of Fanshan in the vicinity of Yangfumachuang.

Reich Fails to Obtain Rumania Oil Concessions

A German mission to Rumania was reported leaving Bucharest last week-end after having failed to obtain large oil concessions sought by the Reich government from the government of Rumania. This was according to the London correspondent of *Izvestia*, official organ of the Soviet Russian government.

Quakers to Enter China Relief Work

Aiming especially to carry on relief activities in China, a Quaker Center will soon be established in Shanghai by the Society of Friends both of Britain and America.

To carry out this plan, Friends of England and the United States have sent three members to this city, to study the possibilities here, Mr. H. T. Silcock, a local Briton, stated this week.

The three Friends, besides Mr. Silcock, are Dr. H. M. Hodgkin, a Briton, and Mr. C. Walter Borton, an American.

It was learned that the establishment of the Shanghai center had been under consideration by American and British Friends for more than ten years. Extraordinary needs in the present crisis were said to have provided the impetus for its immediate organization.

A campaign to raise $100,000 was conducted between Mar. 1 and 8 by the Shanghai Refugee Relief Association, a body which was organized in October, 1938 to coordinate and centralize local relief activities. The Association states that there are still about 100,000 refugees in the foreign-controlled areas of Shanghai, and for their maintenance the Association manages to raise a sum of approximately $200,000 per month. The additional $100,000 sought in this week's campaign is to be used for the purpose of teaching the refugees to read and to make them a productive factor in society.

Trucks from Canada

The Chinese Promotion Committee of Ontario, Canada, has sent to Chinese relief agencies at Hongkong five Studebaker truck chassis. Bodies suitable for hospital service have been built on the trucks and they are shortly being dispatched to hospitals in the interior. Each truck will be loaded with medical and hospital supplies for the trip.

The International Anti-Aggression Congress, with headquarters in London, has decided to establish a hospital in southern Shansi, for the relief of Chinese wounded soldiers, according to a report from Chungking. The Congress has already raised a sum of £666 for this purpose. Preparations for the establishment of the hospital will be made by the China Branch in conjunction with the Chinese Red Cross Society.

Japanese M.P. Arrives With 'Axis' Friends

Seigo Nakano, president of the Tohokai, rightist agrarian group in the Japanese Lower House, arrived in Shanghai Mar. 6. He was accompanied by Werner Crome, German newspaper correspondent, and Victor Alessi, Italian journalist, in addition to Seichi Kojima and Ryuichi Inamura, members of the Tohokai. His mission here was not announced.

All Hope Abandoned For Sunken Nippon U-Boat

The Japanese submarine J-63, which sank in the Bungo straits between Kyushu and Shikoku on Feb. 2 after being rammed by a destroyer during maneuvers, and which despite strenuous efforts could not be salvaged, was officially declared lost by the Admiralty on Mar. 2 and struck from the Navy list. Nine officers and 27 naval ratings were lost with the underseas vessel.

The German Press: A Barren Desert of Conformity

BY A NON-CONFORMIST

Editor's Note—The author of this article, a refugee from the Brown-Shirted terror which is driving thousands of innocent victims from their homes to foreign lands, for many years occupied a responsible position in the publication world in Germany. Only recently he arrived in Shanghai. His views and estimates are those of a man who has known the German press intimately both before and after Hitler.

IN Germany there never have existed newspapers and magazines commanding the attention given by the world at large to English and American publications. The explanation for this fact is to be found, not in the quality of the German newspapers and periodicals, but in the German language, which lacks universality, being read only by small circles of intellectuals in most other countries.

Yet there is not a country in the world where the volume of writing has exceeded that of Germany. The German language is not dreary and colorless, as some may be inclined to think. On the contrary, it possesses a richness, a fund of idiom, endless nuances of expression. Nevertheless it is not suited to speech-making in the grand style. It was for this reason that Germans with oratorical abilities preferred to express their ideas in writing, feeling that thus they could better influence their auditors.

It may be objected that this situation has changed since the Nazis came to power, since Hitler and the rest of the Nazi chiefs show a clear preference for speech as against the written word. This, however, does not invalidate my contention. There are two reasons why the leaders of present-day Germany prefer to speak to the multitude rather than commit their ideas to writing.

They Can't Write

First of all, writing requires a far greater knowledge of the subtleties of the German language than is possessed by any of the Nazi rulers. Secondly, the circumstances and methods of Nazi rule do not compel the rulers to set forth their aims and purposes in writing in order to command a popular majority: They just say what is, what will be, and the people have to be satisfied.

In post-war Germany, the Germany of the Weimar Republic with its 70 million population, only towns which had fewer than 3,000 inhabitants were without their own newspapers. Towns with 3,000 or more inhabitants had at least one newspaper, concerned not only with local matters but with national and international affairs. In cities of 10,000 or more inhabitants there would be several newspapers, one of which would be a non-partisan disseminator of objective information, while the others were usually organs of the political parties.

It was different in the big cities. Newspaper circulation here was determined, not by the strength of the political parties but by the quality of the material, variety of subjects handled, the number of supplements, etc. A case in point was the *Berliner Tageblatt*. Maintained on a high journalistic level, the Sunday edition of this paper circulated between 200,000 and 250,000 copies, this notwithstanding the fact that the Democratic Party, of which it was the mouthpiece, had little influence in Berlin or in Germany generally.

None of the non-party German papers were able to exert any decisive influence upon the political development of the country. Even the most influential section of the press, represented by the Ullstein and Mosse publications, were unable to change the direction of German politics despite their strong democratic tendencies. Events just passed them by.

The influence of the party newspapers, on the other hand, went much deeper, particularly the so-called "General-Anzeiger" newspapers. While the latter first served the aims of the conservatives and monarchists under the guise of a thorough-going objectivity, they nevertheless went over to the Nazis several years before the advent of the Third Reich.

Great importance was attached by the Republican government to the leading political organs in such cities as Berlin, Hamburg, Köln, Frankfurt-on-Main and Munich—but only because these organs were read and understood by foreign newspaper correspondents and were therefore useful as a government mouthpiece abroad.

Influential Newspapers

Thus such papers as the *Berliner Tageblatt* (a Mosse publication), the *Vossische Zeitung* (Ullstein) and the *Deutsche Allgemeine Zeitung*, not to speak of the *Frankfurter Zeitung*, the *Kölnische Zeitung*, the *Münchener Neuste Nachrichten* and the *Hamburger Fremdenblatt*, enjoyed wide influence abroad among people interested in Germany. But within Germany their influence was negligible compared to that of the "General-Anzeiger" press. Where the latter circulated in hundreds of thousands, the papers named—with the single exception of the *Berliner Tageblatt*—would circulate only between 50,000 and 80,000 copies. Greater attention was paid to the party press, but then only that people might discover the standpoint of the party in question, whether social-democratic, communist or catholic.

Germany was a nation of readers. Except in the very small villages, there was scarcely anybody who did not subscribe to at least two papers, one a newspaper, the other usually a paper connected with the reader's occupation or profession. But the obscure provincial papers, written and edited by mediocrities, circumscribed the reader's knowledge and outlook. The universal was bounded by the narrow provincial horizon. This was one of the factors which enabled the Nazis, with little resistance, to seize hold of the population of the most independent democracy in the world.

How has the German press fared under Nazi rule? First, leaders in journalism who would not voluntarily bring themselves under the Nazi yoke were rudely dismissed. Henceforth only those were employed who paid due recognition to the Nazi press chamber. The party press was totally suppressed. Commercially-owned publications like the Mosse press, refusing to submit, were confiscated, while others, such as the Ullstein and Sonnemann publications, of which the *Frankfurter Zeitung* was one, were forced to sell.

Regimented by the Nazis, the German press has shrunk enormously. Newspapers such as the *Berliner Tageblatt* have now a quarter of their pre-Hitler circulation. Others such as the *Vossische Zeitung*, the *Boersen-Courier* (Berlin's oldest paper) and the *Taeglische Rundschau* have gone out of existence. Unrepentant provincial papers have suffered the same fate.

A Vast Indifference

Throughout Germany there is now a vast indifference toward the press—this in a country where previously the whole people looked forward with eagerness to their newspapers. The uniformity of the political views expressed, the tiresome monotony of conformity which characterize every newspaper, have caused a catastrophic disappearance of readers.

But the passionate desire for knowledge of what is happening is by no means dead. People are most anxious to know about events in the outside world, in addition to what is happening in Germany. French, English and German-Swiss newspapers enjoy the greatest popularity. On some newsstands in Berlin more foreign papers were once sold than German. This has led to prohibitions and restrictions. The Swiss papers *Baseler National Zeitung* and the *Zuricher Zeitung*, both democratic and anti-Nazi, acquired a huge popularity after Hitler came to power. But today there is not a single newspaper, German or foreign, which is not either under control or ban.

Not suppression alone is responsible for the decline of the press in Germany. Editors are often semi-literate and no one wants to read their drivel. As for any intellectual independence among these gentry, it isn't even possible to speak of it. Formerly, Germany was famed for political and economic monthlies of high quality. These have totally disappeared.

As Dr. Joseph Goebbels has said, destruction of the intellect is an important part of the Nazi program. That is why representatives of the intellect can no longer live in Germany. The Third Reich has become an immense graveyard for literary products and products of the intellect in general, since these can thrive and grow only in a pure atmosphere. What remains is of inferior value and contains a large admixture of poison. It animates, changes and fructifies nothing.

An "ism" Enraging to Dictators

Manning in Salt Lake Tribune

Uruguay Government Slams Door to Jewish Refugees

The Uruguay Cabinet has passed another resolution, strictly prohibiting the immigration of "undesirable Jews" to Uruguay. As a result of this cabinet decision, 65 Jewish passengers who arrived in Uruguay on board the Italian steamer *Conte Grande* were refused permission to land. The return of these unwanted passengers to the countries of departure will take place at the expense of the steamship line, as they were accepted as passengers without being in possession of properly visaed passports.

Historical Background of the Yunnan-Burma Railway

(By a Review Correspondent)

THE Chinese government today is building two important railways in the Southwest, the first from the Burma border to Kunming, provincial capital of Yunnan, and the second from Kunming to a point about 200 miles west of Chungking. These two lines, on which thousands upon thousands of Chinese workmen, led by engineers, have been working overtime since last November, will provide a direct route from India to the Yangtsze River.

As early as a century ago, the British government showed its interest in laying a railway across the Burma-Yunnan boundary. Various investigation parties were despatched and different lines were suggested, but nothing concrete was done until the outbreak of the current Sino-Japanese hostilities, when the Chinese government decided to build the two railroads, whose completion may be expected within three or four years.

In 1826, after her first war with Burma, Great Britain annexed Arakan and Tenasserim in Lower Burma. Five years later (1831) Captain Sprye suggested the laying of a railroad to shift trade in western China to Burmese ports. He intended to make Rangoon the starting point of the line, which was to be extended first to Siam and then to Kengtung and Kianghung in the Shan States. The Indian government, however, did not favor the idea. So it only authorized a survey of the section between Rangoon to Taungoo.

Britain's interest in Yunnan and the possibility of building a railway to that province were revived in 1867 with the discovery that from the upper reaches of the Irrawaddy River steamers can reach Bhamo, which is only 42 miles from the Chinese boundary. Marco Polo went to Kunming (then Yunnanfu) from Bhamo. It was hoped to find a suitable route via Bhamo in an easterly direction.

British Official Killed

In 1868 the idea of constructing a railroad across the Burmese-Chinese border took a more or less practical shape. For in that year a party of British officials and scientists, led by Major Sladen, reached Bhamo by sailing up the Irrawaddy River. They crossed the Yunnan frontier and reached Tengyueh. In 1874, Colonel Brown followed, and in 1875 Mr. Raymond Margary, a British consular official, went from Shanghai to Yunnan to arrange for Colonel Brown's entry into the Chinese territory. On his return from Bhamo, he was killed by tribesmen at Mengyin. In 1877, Mr. Colbourne Baber, another Briton, travelled extensively in Szechwan, Yunnan and Burma.

In their reports on the proposed line from Tengyueh to Talifu, both Mr. Margary and Mr. Baber mentioned that the greatest difficulty to overcome was the hilly topographical features. In fact, Mr. Baber went so far as to say that it would be a subject for surprise if British trade would take such a difficult route.

In 1881, Mr. A. R. Colquhoun and Mr. Holt S. Hallet proposed the building of a railway from Moulmein in Lower Burma to Szemao in southern Yunnan via Raheng in Siam, and Kengtung and Kianghung in the Shan States. Apparently they based their proposal on Captain Sprye's recommendation fifty years before. This would be a good route if it had not been for the hills which stand between Szemao and Talifu, a distance of 300 miles.

The more fundamental objection lies in the fact that the major portion of the proposed line would have to pass through Siam, which as a matter of course would be more benefitted thereby than territories under British administration.

In 1885, Britain annexed Upper Burma. The railway from Rangoon to Taungoo was extended to Mandalay in 1889. About the same time, a part of the Shan States also came under British control. This greatly increased the British interest in its development. As a result, work was started on a new line from Myohaung, slightly south of Mandalay, to Lashio via Maymyo and Thibaw. This was completed in 1902. From Lashio it would be relatively easy to lengthen the line to Mongyaw and Kunlong on the Lu Kiang. Mongyaw and Kunlong are only 75 miles distant.

Since the completion of this line to Lashio, the problem of building a railway into Yunnan has been very much simplified. For the route is certainly much preferable to the one to Szemao in southern Yunnan through Siam. While from Moulmein to Szemao it is 700 miles, the distance from Kunlong to Yunchow in western Yunnan is only 145 miles.

In 1898, the British Yunnan Railway Company despatched Colonel H. R. Davies to ascertain various routes between Kunlong Ferry and the uppermost navigable point on the Yangtsze River. By that time it was realized that any railway built into Yunnan would not only have as its purpose the flow of trade from Yunnan to Burma but also the tapping of resources in vast, rich and populous Szechwan. Therefore, the final objective then was to discover a shorter road between India and Szechwan and the eastern parts of China.

Colonel Davies made altogether four trips into Yunnan between 1894 and 1900. He spent more than two years covering no less than 5,500 miles. The book *Yunnan : The Link Between India and the Yangtsze* published by Cambridge University in 1909 contains his detailed report on the journeys which took him to practically all parts of Yunnan. His principal findings were these :

Colonel Davies' Findings

1. The surveying of the proposed railway from Kunlong Ferry to Suifu or Nachi on the Yangtsze River had already been completed ;

2. The distance between Kunlong Ferry and the Yangtsze River is 1,000 miles. This line has to traverse difficult terrains, its construction would cost from £15,000,000 to £20,000,000, and it would take about ten years to complete ;

3. Trade in Yunnan has great possibilities in the future. On account of the lack of cheap means of transportation, the economic resources of Yunnan had not been developed and the railway, when built, would not immediately be a profit-making enterprise.

In Colonel Davies' opinion, if the British government would guarantee a minimum rate of interest to financial investment, it would not be hard to raise the necessary funds. However, he raised the question whether it was worth the while of the British government to undertake the construction of such a line, as its two major aims were the diversion of trade from Yunnan to Burma, and the completion of a direct line from India to Shanghai via Chungking and Hankow.

According to his plan, the railway would have its western terminus at Kunlong, passing through Mengcheng, Menglai, Yunhsien, Nanchien, Hsiangyun, Yunnanyen, Shachiao, Chennan, Tsuyung, Lufeng, Anning, Kunming, Chiutsin, Weihing, Hsuanwei, Chaotung, Taikwan until it terminated at Suifu on the Yangtsze River, about 200 miles above Chungking. A branch line was suggested north of Weining to Pitsi, Yunning and Nachi, also on the Yangtsze River, while a second branch line could be built from Mitu to Hungyen, Hsiakwan, Talifu and Erhyuan (Langkiung). In this way both Hsiakwan and Talifu could be connected with Szechwan and Burma by rail.

The Colonel's conclusion, however, was that since the line from Kunlong to the Yangtsze River would be too gigantic a project to attempt at once, it would be practical to extend the railway from Lashio to Kunlong and Yunchow in western Yunnan to be further extended eastward later on. However, his report was permitted to gather dust in the British government archives.

New Wave of Interest

There was a fresh wave of interest in building a railway into Yunnan in the first few years of the present century. The year 1904 saw the despatch of a party of engineers under Mr. A. R. Lilley by the British government to survey the route from Bhamo to Tengyueh. In 1907, the British Indian Government sent out a party to survey the road from Tengyueh to Talifu, the total distance from Bhamo to Talifu being 386 miles. The estimated cost was £4,500,000 at an average cost of £11,600 per mile.

After 1907, nothing more was heard of any of these proposed railways into Yunnan from Burma. The French in Indo-China, however, did not wait. For from 1901 to 1904 they finished construction on their railway from Haiphong to Kunming, provincial capital of Yunnan.

With a few modifications, the Yunnan-Burma Railway now under construction follows the route suggested by Colonel Davies. It meets the Burmese railway at Kunlong Ferry. To accelerate its early completion, work was started simultaneously on different sections last year. Though built as a military necessity, this line is bound to have a far-reaching effect on the development of China's southwestern provinces.

Kiangwan Race Course Bought by Japanese

Agreeing to pay $760,000 for the 1,200 mow of land comprising the property, a Japanese real estate firm has paid over the bargain money for the acquisition of the Kiangwan Race Course, according to *Finance and Commerce*. It was understood that the property was acquired for a combination of race clubs in Japan and would ultimately be reopened for race meetings.

The property belonged to the International Recreation Club, which was an "unregistered partnership," *Finance and Commerce* stated, the various partners being individually entitled to share profits and also being responsible individually for all liabilities. The Shanghai Race Club held a 70 per cent interest, and was given a free hand by Chinese shareholders who had no desire to continue with this responsibility and on the understanding that the latter would not be called upon for any future payments. The IRC bank overdraft was no less than $700,000.

The Shanghai Race Club's original investment in the IRC was $1,275,000, and against this a reserve has accumulated of $979,000, leaving three lakhs outstanding. The proceeds from the race course sale will enable the overdraft to be paid off, and the SRC will then hold the IRC town property in Bubbling Well Road to represent the three lakhs. This latter, which is now being used as the U.S. Marines' Club, has an assessed value of $500,000.

China Shall Arise Again!

BY MADAME CHIANG KAI-SHEK

Written by Madame Chiang Kai-shek, this article entitled "Resurgam" originally appeared in Chinese as a special request message for the first of a series of supplements on the Chinese women's part in the New Life Movement published in the Chungking Central News.—*Editor.*

ABOVE the southern portal of St. Paul's Cathedral, London, is an odd stone upon which is graven the one word "Resurgam." The story of it is that when the great dome was about to be built the architect, Sir Christopher Wren, asked for a stone to mark the center as a guide for the workmen. From a rubbish heap was brought a piece of old tombstone which bore that one Latin word. Its significance—"I shall rise again"—so impressed the architect that he decided to give the stone a permanent place in the structure. There it has remained ever since, a source of stimulating optimism for all who see it. And to us who witness our people being slain and maimed and our country desolated, the word should possess special inspiration and cause us to brand it upon our hearts and emblazon it upon our banners.

If we look at a map of China we can easily realize how the enemy, by virtue of his superior military and naval armament and air force, has been able to penetrate into many eastern provinces and wrest from us, for the time being, the peaceful use of most of our railways, highways and waterways. In addition to that, the barbarous invaders have murdered multitudes and have uprooted from their homes, their businesses, and their farms, millions of our people who have been forced to travel far afield in search of sustenance and safety from bombardment and assault.

Those eastern provinces which have suffered so grievously from enemy attacks were our richest possessions in agricultural production and cultural development.

The Remote West

The provinces of the west were, until quite recently, remote and inaccessible except by the expenditure of much time in travel and the endurance, in most cases, of great hardship. These provinces were regarded by most of the dwellers in the east as the fascinating home of valuable medicinal herbs, beautiful and rare flowers, giant pandas and other animals, as well as precious metals. There, it was known, lived strange tribesmen who inhabited majestic mountains which were the source of our principal great rivers, but all far too difficult of access ever to be reached by eastern inhabitants.

Up the the time of the fall of Nanking, our people as a whole paid little attention to the far-flung provinces of the west. Now, however, tens of thousands of our people—among whom are leaders of industries and institutions of learning, with their staffs and students—have moved in, coming on steamers, motor cars, trucks, or on foot. As a result of this mass migration the development of Szechwan and the other western provinces, which has so long been delayed, will be accelerated until there will be done in a year what would, in normal times, have taken perhaps five decades to accomplish.

Here our country will make up for more than it has lost, for we shall build faster and surer upon the foundations already laid, and erect the edifice of a rejuvenated nation—a new, strong, and robust China.

The pioneers of America were attracted to their west by the lure of gold and land, and they went into a virgin region. In our west, remote as it is, and difficult of access as it used to be, there has long been established a civilization and a great population. The people were, however, unable to develop the natural resources because of lack of skilled labor, but more on account of baffling distances and staggering mountains, over which toiled the coolies and the ponies and the donkeys, the only means of transportation except the steamers and junks which touched at points along the Yangtsze River and its tributaries.

Now the great migration has given artisans to the west, and the lot of all has been alleviated by the creation of air services and motor highways which connect

In Guerrilla Territory

Above, right, Agnes Smedley, American authoress, in conversation with Freda Utley, British authoress. Lower photo shows Han Ying (left), vice-commander of the New Fourth Army, with Chen Shao-yu (Wang Ming), leading light of the Chinese Communist Party.

all provinces and run to the outer world through Yunnan to Burma, and through Sinkiang to Europe. Our new railways will, in time, connect the southwestern provinces with the lines of neighboring western countries.

There are many—especially the enemy that has invaded our country—who think that the end has come to the independence and the individuality of our nation. There are those who think that it is but a matter of time when the yoke of subjugation will be placed upon our necks.

These people—be they pessimistic or hopeful—overlook one important and outstanding revelation of history. That is, that we Chinese, as a race and a nation, have survived centuries of natural calamity and domestic upheaval solely because of the possession of remarkable powers of recuperation.

That power is undiminished. It is still with us, as all contemporaries know, just as it ever has been with us in our age-long struggle to safeguard the heritage that has been handed down to us from remote times. And we intend to foster that power and use it, for we shall never permit this or the coming generation to bear the shame and the dishonor of sacrificing our ancient birthright.

Fight Will Go On

Our people will continue to fight, as well as to live and thrive and multiply, even through adversity in the regions where the enemy erroneously imagines he is supreme, but where, in reality, he has but a precarious hold. And that tenuous grip will, with the flight of time, become ever more uncertain until it will finally relax under the pressure exerted by our heroic manhood and womanhood.

In the west, with the courage and the heroism and the powers of endurance which are inherent in us, we will create a new China—a nation tempered in the fires of war, and emerging wise (I hope), progressive, indomitable, and unafraid.

Our friends whose sympathy we have, and the barbaric enemy who is ravaging our land—if they possess the imagination to sum up the significance of the past 18 months of unflinching resistance—will surely see the metaphorical writing on the wall. It is illuminating the walls of our west, aye, our Great Wall and our seaboard, too. On them all, as in challenging radiance—vibrant with the spirit of the blood that has flowed from our people and the fires that have burned our earth—can be seen, through the eye of the mind, endurable and prophetic letters marking our destiny. They are RESURGAM: "I shall rise again"—and they embody the spirit that is China.

Kuling Evacuees Made to Sign Silence Pledge

The foreign residents who evacuated Kuling, mountain resort in Kiangsi province, on Feb. 22 (as reported in last week's issue of the *Review*) were required by the Japanese military to sign a statement after they had started their voyage down the Yangtsze, pledging themselves, among other things, not to divulge anything they might see or hear of Japanese military doings on pain of eternal banishment from Kuling. The statement, in full, follows:

Imperial Japanese Military Headquarters

Liaison Office

I, the undersigned, in consideration of the Japanese military and naval forces taking me down the Yangtsze River on one of their transports, do hereby agree:

1. That I will strictly obey the orders of the captain and officers.
2. That I will not get off of the steamer until I reach my destination.
3. That I will weather all hardships on board without complaint.
4. That I will not make any sketches nor take any photographs nor make any movie films during my trip down the Yangtsze River.
5. That I will make this trip at my own risk and neither I nor anyone in my behalf will make any claims for losses under any circumstances.
6. That I will not say nor write anything of what I have seen nor heard about the Imperial Japanese military or naval forces operating in China, and that I clearly understand that if I should I will not be permitted, under any circumstances, to return to Kuling or its vicinage.

Sino-Soviet Air Route Test Flight March 20

A test flight on the Chungking-Hami section of the projected Sino-Soviet air route will be made on Mar. 20, according to an announcement made at Chungking by the Ministry of Communications. Hami is an important city in eastern Sinkiang. The total airline will be operated in two sections, the first from Chungking to Hami, the second from Hami to Alamutu, where the line will connect with Moscow-bound planes. The China part of the route will be operated by the China National Aviation Corporation.

As owners of a 45 per cent interest in the C.N.A.C., Pan-American Airways sustained a loss of U.S.$396,000 on the Shanghai-Canton route, prior to inauguration of the company's trans-Pacific service, Harold M. Bixby, vice-president of the American corporation and a former resident of Shanghai, told the Civil Aeronautics Authority in Washington on Feb. 27. Mr. Bixby said this loss should be considered as part of the cost of establishing the trans-Pacific Clipper service, since it was inconceivable that this service should not normally extend to Shanghai.

The new giant 74-passenger trans-Pacific Clipper arrived in Hongkong Mar. 3 to complete its maiden flight from San Francisco. As the huge liner was engaged in a shake-down flight, only the crew of twelve, with no passengers, were carried.

Returning the recent visit of a C.N.A.C. plane to Burma, whereby a Chungking-London air service was inaugurated, a British Imperial Airways plane flew to Kunming, provincial capital of Yunnan, on Mar. 3. The plane carried five passengers, all British, and the pilots were welcomed by officials of the Yunnan Provincial Department of Reconstruction and the Yunnan office of the C.N.A.C.

Tokyo Air Subsidies

A bill to provide for encouragement and financial assistance to civil aviation in Japan, Manchukuo, Mongolia and China through a "Japan Air Transport Company" is shortly to be introduced in the Japanese Diet, according to a *Reuter* message from Tokyo Mar. 5. The company is to be capitalized at Yen 100,000,000, of which the Japanese government will subscribe Yen 37,250,000, at the same time retaining the right to appoint the board of directors. Furthermore, the company will be authorized to issue debentures up to twice the amount of the paid-up capital and will be exempt from income and business-profit taxes. The government will guarantee payment of principal and interest on the debentures.

Washington officials declined to comment on a *United Press* report from Tokyo, published in Shanghai Feb. 25, that American aircraft manufacturers, while complying with the government embargo against the shipment of planes to Japan, had sent technical experts to that country to aid in the development of its aircraft industry. The U.P. report said that American companies had allegedly sold patent rights to Japan for modern transport planes which could easily be converted into speedy bombers.

Aid to Japan Denied

Unofficial quarters in Washington, according to the same agency, said that it would be logical for American aircraft experts to go to Japan in connection with plane sales completed before the State Department imposed the "voluntary" embargo against the export of American planes to Japan. American aircraft companies usually send experts to direct assembly of American planes to avoid difficulties which might injure the reputation of the manufacturers, it was pointed out.

United States aviation companies, it was claimed, are understood to be cooperating 100 per cent. with the government in the embargo against the shipment of planes to Japan. Some quarters believed reports that the companies had sold patents and other rights to Japan were incorrect.

The Douglas and Lockheed Aircraft Companies said that they did not know any of their men were in Tokyo. They denied reports that any of their employees were aiding Japan in the development of her domestic aircraft production facilities.

Broadway Mansions Deal Said Completed

Marking what the paper called the disappearance of the "last monument to British interests" north of Soochow Creek, the sale of Broadway Mansions, 23-storeyed skyscraper hotel, in Hongkew, has been concluded between the present owners and the Shanghai Real Estate Company, subsidiary of the Central China Development Company, the Shanghai *Mainichi* reported March 6.

Replacing the Union Jack, the Rising Sun flag will be raised above the de luxe hostelry, the paper said. Terms of the transfer were said to be $5,000,000 in cash. Construction of the building was begun in 1932 under the supervision of outstanding British architects, and was completed three years later, according to the daily, which quoted the original cost as $7,500,000 corresponding to $15,000,000 at the present rate of exchange. One of the most luxurious hotels in Shanghai, Broadway Mansions has 156 hotel suites, 56 apartments, and eight offices and stores.

Splashing quarter-page advertisements in the local daily press, the New Asia Hotel, corner of North Szechuen and Tiendong Roads in Hongkew, has reopened as a "first class hostelry" under Japanese auspices after having acquired an evil reputation as the headquarters for Japanese intrigues and gangsterism in the Shanghai area under the auspices of the Ta Tao government.

Under the management of G. A. Sakaki, single rooms, without bath, are being rented at Yen 6.00 per day and upwards, including breakfast. This is about the equivalent of U.S. $1.00, and is a lower rate than those offered by other comparable hotels in Shanghai. Double rooms minus bath are correspondingly quoted at Yen 8.00, while single and double rooms with bath are Yen 8.00 and Yen 10.00 respectively. Tiffin is Yen 2.00 and Dinner Yen 2.50.

The New Asia Hotel was seized by the Japanese military when hostilities broke out in 1937. When renovation of the premises was undertaken, it was announced that a lease had been entered into by the Japanese interests running it and the Chinese owners in Hongkong.

Stalin's Purge Extends to Soviet Radio Stations

The Soviet Commissariat for Internal Affairs, formerly the G.P.U. (Secret Political Police), is engaged in a purge of Russia's radio broadcasting stations, according to a *Transocean* message from Moscow. Several men prominent in the radio field are said to have been arrested.

Four former officials of the G.P.U. were recently given prison sentences of from five to ten years, after they had confessed to framing-up innocent citizens. Among their victims, it was disclosed at the "trial," were children 10 and 12 years of age whom they had railroaded to prison on charges of "counter-revolutionary activity."

Harbin Jewish Businessmen Fined For Currency Deals

Apprehended during last summer's general clean-up in Japan and Manchukuo a number of Harbin's outstanding Jewish businessmen were sentenced last month for "grave violations" of the Manchukuo Currency Control Laws.

A. J. Gurvich, 39, manager of the fur office of Zondovich and Sons, was fined 3,500 yuan. His "accomplice," B. M. Shergoff, 43, accountant, was fined 800 yuan.

M. A. Rogalski, 48, employee of the Harbin branch of the Hongkong and Shanghai Banking Corporation, was fined 1,500 yuan.

Three employees of the Harbin branch of the Chartered Bank of India, Australia and China, A. D. Jinjin-Shivilli, 35, L. D. Familiant, 45, and T. I. Gleichenhaus, 33, were all find 800 yuan each.

M. A. Zaigrayeff, 58, director of the Union Banking Corporation, and G. L. Weinstein of the same firm were each ordered to pay a fine of 2,500 yuan.

The men were all refused the right of appeal.

Speculation Charged

It was alleged that A. J. Gurvich and his "accomplices" conducted currency speculations from May to June, 1938, taking advantage of the difference of the quotations of the foreign currencies here and abroad. They made use of the currency laws which permitted remittances of sums less than 1,000 yuan per annum for the support of relatives without first obtaining licenses from the authorities concerned. The banks were merely authorized to issue drafts in foreign currency on banks abroad upon the filling of special applications by those who wanted to make the remittances.

It is further alleged that the two persuaded Harbin residents, many of whom had neither relatives nor businesses abroad, to sign applications, and paid about 10 yuan to each of them. They next made use of the employees of the banks to receive drafts from the banks against their false applications. For their services, the bank employees received 10 per cent of the face value of each draft.

Japan Living Costs Show February Increase

According to a survey by the Japan's Cabinet Statistics Bureau, the living costs of workers in Tokyo in February this year stood at 115.0 on the basis of 100 for July, 1937. Thus, the cost of maintaining living standards on the same basis as in July, 1937, is 15 per cent higher. The February index was an increase of 0.9 per cent over January and 8.6 per cent over February, 1938. The February living costs of the salaried class stood at 113.7, rising by 0.8 per cent over January and by 7.9 per cent over a year ago.

The workers' living costs in Osaka in February stood at 113.5, advancing by 0.8 per cent over January and 8.1 per cent over February the year before. The salaried-class living costs in Osaka in February rose by 0.7 per cent over January and 7.8 per cent over February, 1938.

Labor disputes in Japan in 1938 decreased by more than 50 per cent, compared with 1937, according to a recent *Domei* report.

Against 2,126 cases of labor trouble involving 213,622 people in 1937, there were only 1,022 cases involving 53,550 laborers in 1938, according to statistics of the labor Bureau Welfare Ministry.

Japanese Get Huge Salt Fields With Capture of Haichow in N. Kiangsu

HAICHOW, once flourishing salt-producing town in northern Kiangsu at the eastern terminus of the Lunghai Railway, and now, as a result of China's "scorched earth" policy, a heap of ruins, was captured by Japanese troops on the morning of Mar. 4. Pressing forward, the invading armies captured Nancheng, 12 kilometers southeast of Haichow, the following day.

Salt farms near Haichow cover approximately 257 hectares, *Domei* reported, and they produce 700,000,000 lbs of salt annually, a supply sufficient to provide the needs of at least 100,000,000 people. Annual Salt Gabelle revenue from the Haichow fields was $50,000,000.

Between Feb. 24, when a Japanese detachment started operations in northeastern Kiangsu, and Mar. 5, when Paoying on the Grand Canal fell into Japanese military hands, 6,117 soldiers were slain, the Japanese military authorities claim. Capture of Paoying was the prelude to the fall of Haichow.

On the Central China front, Japanese troops occupied Anlu, on the eastern bank of the upper Han River, Mar. 5, and are now advancing towards Suihsien, forcing the Chinese defenders to retreat in a northwesterly direction. Two converging Japanese columns were reported by *Domei* to be threatening annihilation of 300,000 Chinese troops in areas northwest of Anlu, between the Tahung mountain range and the upper Han River in Central Hupeh.

The Japanese advance towards Ichang, Yangtsze town at the eastern entrance to the famous Gorges, appeared to have slowed down during the past week. According to Chinese reports a Japanese drive southward, in an effort to take Changsha, is now in progress. *Kuo Min* reported Mar. 3 from Chungking that four Japanese divisions had concentrated in the Yochow-Pingkiang sector of northern Hunan, while 10,000 Nipponese troops were massed at Joki, on the Juichang-Wuning highway in northern Kiangsi for an advance to Nanchang.

On Mar. 2 foreign vessels were warned by the Japanese to keep 40 miles away from the estuary of the Sheyang River in Chekiang province, since the Japanese navy was launching operations along the river to mop up "remnants of Chinese troops" who have allegedly been using the river region to transport supplies.

On Mar. 5, the Consular Body in Shanghai was asked by Japanese consul-general Yoshiaki Miura to warn third-party nationals residing in northern Kiangsu of the launching of operations in that area. These nationals were requested to mark their properties with their national colors, stretched horizontally, and "sufficiently big and vivid" as to be clearly distinguishable from airplanes.

Unconfirmed reports to the *Shun Pao* on Mar. 2 said Japanese troops had been landed at Haifeng and Lufeng, near Swatow, in Kwangtung province. Business houses in Swatow were said to have notified their Shanghai offices to discontinue shipments to the Kwangtung port city.

More than 50 Japanese planes bombed Yenan, headquarters of the Eighth Route (former Communist) Army in northern Shensi, and Ninghsia, capital of Ninghsia province, in raids carried out on Mar. 6. Both cities, said *Domei*, are used as bases by the "Communist" armies. There have been no reports of casualties or damage caused in the raids.

A warehouse owned by the Danish firm of Jebsen & Company, whose head office is in Hongkong, was bombed and damaged Mar. 4 by a lone Japanese seaplane in a raid on Chuanchow, a small town 50 miles north of Amoy.

According to *Kuo Min*, a Chinese air squadron raided Canton, now under Japanese occupation, on Mar. 1. The raiders claimed to have hit and set fire to several Japanese munition depots in the city.

Lieut.-Gen. Masanao Hata and Rear-Admiral Shozo Kawabe, were received in audience by the Japanese emperor on Mar. 7 following their return to Tokyo from active service on the China fronts.

The Shanghai Post of the American Legion is going to repair the General Frederick Thompson Ward Memorial in Sungkiang, it was announced this week. Both the tombs of Gen. Ward, hero of the Taiping Rebellion, and of his faithful dog who was buried with him, were badly damaged during the 1937 fighting in the vicinity of Sungkiang, likewise the buildings in the memorial compound.

Hotels Searched For Terror Gangs

Happenings on Shanghai's terroristic front during the past week were feature by systematic police searches of Chinese hotels in the International Settlement (no terrorists or weapons being found), the discovery of three decapitated heads (presumably of Chinese "traitors" or suspected traitors) on a fence along Brenan Road in "Ta Tao" territory, an attempt to assassinate Chu Kan-ting, alleged head of the puppet Tax Bureau in Pootung (the attempt occuring at Chu's Connaught Road home), and a general quietening down of the Japanese agitation aroused by the recent wave of terrorist killings.

An accord was announced late last week between the Shanghai Municipal Council and the Japanese authorities providing for:

1. Strict enforcement of the Shanghai Municipal Council Emergency Proclamation providing for the handing over of armed criminals.

2. Effective cooperation between the Shanghai Municipal Police, on the one hand, and the Japanese military and consular police, on the other, for the protection of Japanese nationals and the prevention of terroristic activities.

3. Provided under Paragraph 2 are: (A) Effective control of unlawful elements entering the Settlement from the Whangpoo and Soochow Creek; (B) The searching of Chinese in transit at important points in the settlement.

4. Reinforcemet of the Japanese Branch in the Shanghai Municipal Police.

The *Tairiku Shimpo* reported that I. Kakegawa, assistant commisioner of the S.M.P., would proceed to Tokyo in the near future to recruit 30 more Japanese constables for the Settlement poice force. A Japanese, writing to the *North-China Daily News*, said that Japanese members of the S.M.P. numbered 267 as against 418 British and other members.

Meanwhile, 49 Japanese consular policemen arrived here Monday of this week in the *Shanghai Maru* "to join pacification works in Shanghai, Nanking and Hankow," the *Tairiku Shimpo* said.

Japanese sources announced that American, British and Italian defense forces in Shanghai had offered to cooperate with the Japanese military and naval authorities in maintaining peace and order here.

Japan's War Budget Presented to Diet

Revealing the view in Japanese government circles that the war with China is expected to last at least until March of next year, the Cabinet last week approved and submitted to the Diet supplementary estimates for the army and navy totalling Yen 5,270,000,000, of which Yen 4,600,000,000 was earmarked to cover costs of the "China Incident" from February, 1939 to March, 1940.

Reuter said the estimates were drafted on the basis of a two-power standard whereby Japan aims at being fully prepared to face China and Soviet Russia simultaneously if need should arise. *Domei*, in announcing the estimates, flamboyantly wrote: "Japan today moved to meet Soviet war preparations on land and British and American rearmament programs on sea, together with ample provisions made for aerial defense." But the agency did not explain where the astronomical sums so blithely conjured with by the Japanese cabinet were to come from.

If the present estimates are added to previous expenditures, the China war has already cost Japan a total sum of Yen 11,990,000,000, the *Asahi Shimbun* pointed out last week. This total is 24 times greater than the present gold holdings of the Bank of Japan, officially reported to be worth a little over Yen 500,000,000 at the present time.

The naval rearmament program, for which Yen 1,694,000,000 has been earmarked in the estimates, is to be spread over five years, and in the case of shipbuilding six years. Yen 1,205,000,000 or 70 per cent of the total, is to be spent on new ships.

A cryptic statement was made in the Diet Mar. 6 by War Minister Lieut.-Gen. Itagaki when discussing the new military expenditures. Said the war minister: "Future developments will determine whether Japan will transfer her standing army in Japan to China and Manchukuo." Although questioned, he refused to elaborate the remark, thus leaving the impression that Japan might be contemplating the permanent transfer of her military establishment to this country.

"Siberia Converted Into Impregnable Fortress"

Party and non-party Bolsheviks have transformed Siberia into an impregnable "fortress of Socialism in the Far East." This was part of a telegram addressed to Stalin by the Territorial Conference of the Russian Communist Party held at Habarovsk on March 6, according to a message distributed by the *Tass* service. The telegram declared that the Russian Far East had been converted into a large industrial center, a territory of technique, of joyful and happy life. The Conference delegates assured Stalin that the members of the Party will "indefatigably strengthen the mighty, invincible Red Army and Red Navy and the Frontier Troops. Bolsheviks in the Habarovsk territory pledged themselves to carry out the third five-year development program and make the Pacific and Amur frontiers "still more impregnable."

Referring to the Japanese, the Soviet delegates declared in their telegram to Stalin that "Fascist-Japanese samurai endeavored to attack the sacred frontier of the Soviet Union in open battle, but the Red Army had routed the troops of the frantic usurpers and Japanese war-mongers, who will remember for a long time what it means to disturb the great people and violate their sacred land. . . . the Japanese will long feel the weight of the powerful hand of the heroic Red Army."

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 19

Chen Lo, Foreign Minister of the Nanking "Reformed" regime, was shot dead at his Yu Yuen Road residence in Shanghai; party of six armed gunmen entered Chen's house and fired 7 or 8 shots, two of which struck Chen wounding him fatally. Mr. Chen arrived in Shanghai from Nanking yesterday afternoon for a family reunion on Chinese New Year Day. All the gunmen escaped, taking with them one of Chen's bodyguards, who many have been involved in the plot.

On Nanking Road, unknown gunmen fired at a car in which there were four Japanese, two taxi-dance girls and two men. The two men, said to be photographers employed by the Japanese Army and one taxi-dancer were wounded. A Municipal policeman nearby exchanged shots with the gunmen, but they escaped. Gunmen believed to be either Japanese or Koreans and the shooting an affair of jealousy, according to Municipal report.

Three Japanese planes raided Yenan, headquarters of Chinese Communist Party, in North Shensi on Feb. 18, dropping 15 bombs.

Canton converted into a Far Eastern "Monte Carlo;" Puppet Peace Preservation Committee has invited bids for gambling monopoly.

Chinese forces on Hainan Island under command of Gen. Wang Yi, counter-attack Japanese troops in vicinity of Chunchow and Tingan.

Gen. Chiang Kai-shek, in address at opening meeting of People's Political Council now in session at Chungking, stressed importance of national unity in present war of resistance. Entire delegation to the session rosely solemnly in support of Gen. Chiang's declaration rejecting Prince Konoye's peace proposals.

Gen. Chiang yesterday sent following message to General Council of International Peace Campaign in London: "In greeting you, I reaffirm China's determination to fight on."

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February 20

Commenting on death of Chen Lo, **Central Daily News** at Chungking called the assassination a "Chinese New Year present on the part of Shanghai Chinese to the soldiers at the front."

Y. Miura, Japanese Consul-General at Shanghai, called on C. S. Franklin, Chairman of Shanghai Municipal Council, and lodged protest against "recent series of outrages in the Settlement."

Chungking report stated that large numbers of Japanese troops in Yangtsze Valley had secretly been transferred to North China to fight guerrillas in Hopei and Shantung. Many cities along Yangtsze between Nanking and Hankow said to have been abandoned by the Japanese, with the result that Huangmei in east Hupeh and Hukou in Kiangsi are again in Chinese hands.

Some 30 Japanese warships and transports concentrated off Hsuwen, port on the mainland opposite Hainan; Japanese attempt to land on Kwangsi coast seen.

No fresh development on Chekiang coast; Japanese warships concentrated off Haimen withdrawn.

Eight Japanese bombers out of total of 12 shot down by Chinese planes in aerial battle above Changsha, Hunan capital, on Feb. 15, according to Chungking report.

Forty five foreigners scheduled to evacuate Kuling on Feb. 22; Japanese granted further extension of the deadline to Feb. 25, when the foreigners must make their descent.

Total note issue by Peiping's "Federal Reserve Bank" reaches $220,000,000, according to **Reuter** report; puppet bank has 45 branches in North China cities.

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February 21

Marquis Li Kuo-chih, eldest grandson of Li Hung-chang, China's viceroy in the late Ching Dynasty, assassinated in front of his home on Sinza Road in Shanghai; Gunman escaped. Li died an hour after the shooting. Political motive believed behind the assassination; Li credited with having played important part in the establishment of Nanking "Reformed Government."

Tokyo **Asahi Shimbun** reported that Japanese army authorities had decided to employ force, if necessary, in order to "purge International Settlement of anti-Japanese terrorists."

Replying to questions in the Diet, Premier Baron Hiranuma said that Shanghai International Settlement had become base for terrorist activities of lawless elements and Japan would assert the right of self-defence.

Nine Japanese bombers shot down yesterday by Chinese pursuit craft in aerial battle above Lanchow, capital of Kansu, according to report received at Chungking. Thirty Japanese airplanes raided Lanchow in two squadrons, dropping over 40 bombs in eastern and western suburbs of city.

Chungking elated by success of Chinese Air Force at Lanchow.

Ichang, river port above Hankow, bombed by Japanese planes.

Japanese planes bombed British area in Hongkong during raid on Shumchun, a border village. On Indian and several Chinese killed; British Government to lodge protest with Tokyo.

Dr. H. H. Kung, President of Executive Yuan, declared in speech at People's Political Council that China's financial position is sound; material assistance said given China by friendly Powers.

Third plenary meeting of People's Political Council ended; many resolutions adopted, the most important being one reaffirming China's determination to continue resistance. Gen. Chiang Kai-shek made closing address, emphasizing importance of laying a sound foundation for a democratic government, and eventually giving powers for the appointment and removal of government officials to the people.

*
**

February 22

Wreckage of 8, of the 9 Japanese airplanes shot down during aerial battle above Lanchow on Feb. 20 located. The machines identified as of Italian make and said to be "Savoy 79" two-engined bombers.

Japanese sources admit loss of "two machines" which "crashed in "suicide dives" at Lanchow.

Japanese army authorities apologized to Hongkong authorities following protest lodged by British Government against bombing within British territory by Japanese planes. Apology delivered by Japanese Consul-General in Hongkong; willingness to pay for damages expressed; incident described as "sheer mistake."

Four Chinese killed, including one "Ta Tao" policeman and a constable of Shanghai Municipal Police, in western Shanghai "badlands," as a result of attack by band of armed gunmen.

Officials of Japanese Army, Navy and Foreign Offices in Shanghai filed a set of "requests" to Shanghai Municipal Council, demanding increase in strength of Japanese contingent in Police Force to curb terrorist activities in the International Settlement. "Requests" presented to C. S. Franklin, Chairman of S.M.C. by Y. Miura, Japanese Consul-General.

Gen. Memoto, high Japanese officer at Peiping, declared yesterday that the Japanese were taking no steps at present to form a "Central Government of China."

Japan's purchases from United States during 1938 amounted to US$239,375,000, according to **Havas** message. Cotton, petroleum, iron, and steel led in imports.

Gen. Liu Shih, former Governor of Honan, appointed Garrison Commander of Chungking, replacing Gen. Li Keng-ku.

Plane of China National Aviation Corporation made survey flight from Chungking to Rangoon. Formal inaugural flight to take place on Feb. 28.

Escorted by British and American naval officers, 47 foreigners, accompanied by 13 Chinese servants, descended from Kuling mountain resort.

China has a war chest of liquid resources abroad of about US$400,000,000, according to an estimate appearing in **Far Eastern Survey**, organ of the Institute of Pacific Relations.

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February 23

Reorganization of Shanghai Municipal Police is demanded by Tokyo, according to Admiral Kanazawa, spokesman for Japanese Admiralty in Shanghai. Premier Baron Hiranuma told Diet that instructions regarding measures for maintaining peace and order in Shanghai had been sent to Japanese authorities in Shanghai; International Settlement described as "base for terrorists."

Hachiro Arita, Foreign Minister charged Shanghai Municipal Council with "lack of sincerity." He said that Japanese Government had decided to initiate negotiations with Shanghai Municipal Council regarding effective steps to maintain order in International Settlement.

Morito Morishima, Counsellor of Japanese Embassy in Shanghai, who arrived at Tokyo from Shanghai by air yesterday, reported to Foreign Minister Arita on the situation in International Settlement, where, he said "anarchy prevails." Morishima expected to return to Shanghai shortly with fresh instructions for Japanese authorities there.

Nanking announced that militia men under "Reformed Government" would be sent to outskirts of International Settlement and French Concession in Shanghai to combat terrorist activities; move made following assassination of "Foreign Minister" Chen Loh.

Japanese army spokesman revealed that Japanese troops in vicinity of Shanghai fought 281 engagements with Chinese troops and guerillas between Aug. 28 last year and Feb. 15 this year. Revelation seen as confirmation of wide extent of guerrilla activities in Shanghai area.

Thirty-nine out of 47 foreigners who evacuated Kuling yesterday sailed from Kiukiang for Shanghai aboard Japanese steamer.

China to buy 20,000,000 yards of cloth from Lancashire cotton interests for army uniforms; value of huge order estimated between £500,000 and £750,000.

Japanese report from Peiping stated that puppet customs authorities at North China ports would refuse to issue export permits on and after March 10 for any goods unless exporters could produce certificates showing export exchange had been sold to Japanese-controlled "Federal Reserve Bank."

Japanese military authorities in North China prohibit growth of Kaoliang (species of maize) near railway tracks and airdromes; move designed to check activities of guerillas.

Under pressure of Japanese authorities, E. G. Jamieson, British Consul-General in Tientsin, was alleged to have

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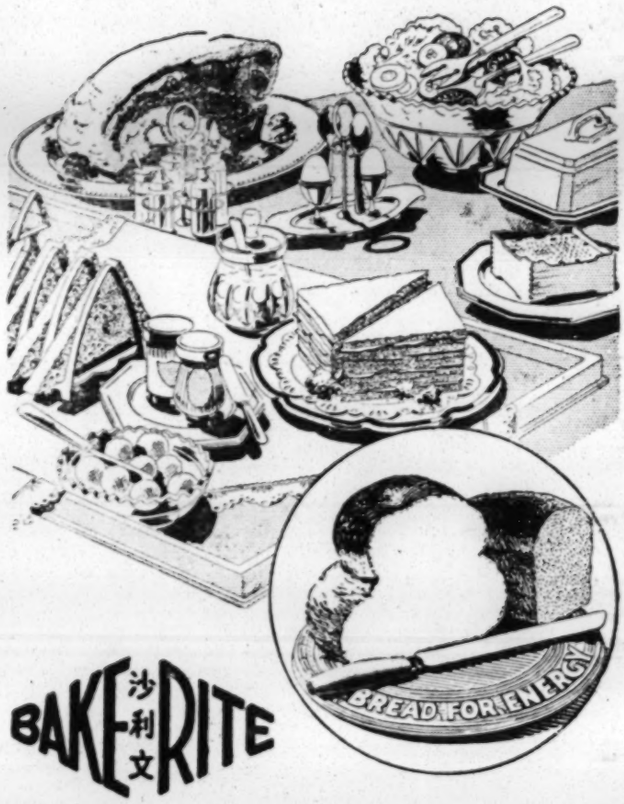

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banned use of anti-Japanese textbooks in schools in British Concession.

Shanghai Municipal Council denied Japanese report that Japanese "requests" made on Feb. 22 demanded fundamental reorganization of the Council or increase of Japanese members on Police Force.

Sino-American Cultural Relations Association inaugurated yesterday at Chungking with Madame Chiang Kai-shek and Col. H. L. Stimson as honorary chairmen.

In response to "dollar drive" launched by Counsul-General Dr. C. Kuangson Young, Chinese residents in the Philippine Islands contributed more $100,000 to the National Government; contribution to be used for repayment of exports credits granted China by the United States.

"China touched bottom in 1938, yet even now that tale can be told in a tone of hope and confidence," declared Quo Tai-chi, Chinese Ambassador to Great Britain. He added that already 1939 found China in a stronger position than during 1938, both in affairs at home and in relation to world affairs.

*
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February 24

Six more Japanese bombers shot down yesterday in another aerial battle above Lanchow, Kansu capital, according announcement by Chinese Air Force Headquarters. Thirty-eight Japanese planes invaded Kansu in three groups; first two groups were intercepted by Chinese aircraft at Pingliang, while the third group reached Lanchow, bombing eastern and southern suburbs of city, causing some 30 casualties and destruction of 200 houses.

Casualties totalling 600 killed and wounded were inflicted on Ichang, river port above Hankow, on Feb. 21, by Japanese air bombing, according to beletated report received at Chungking.

Chungking authorities push air defence measures; many old buildings torn down as precaution against fire.

Over 10,000 puppet Chinese troops in North China mutinied on Feb. 21 at Lianghsiang and Fanshan on Peiping-Hankow Railway; they are fighting the Japanese south of Fanshan.

Japanese report stated Haiphong authoritis had banned the unloading of arms cargoes from abroad for China; action said taken in accordance with Paris orders.

Heavy firing heard in eastern Shanghai, lasting for almost two hours, thought to be Japanese attack on guerrillas in the vicinity of Woosung.

Gen. Yeh Ting, Commander of New Fourth Army, operating south of the Yangtsze, reported to be in Kwangtung, recruiting men to strengthen his forces.

Pan Kung-chan, new deputy Director of Central Publicity Department, assumed his duties yesterday. Pan formerly was Commissioner of Education and Social Affairs of Greater Shanghai Municipality.

Canton's Nippon Populace Shows Ten-Fold Increase

Japanese residents in Canton now total 3,400 against only 300 before the start of the China conflict, figures released to the Canton press revealed, according to *Domei*. Ninety per cent of these residents came from Formosa, including 100 native Formosans. According to a statement made last November by a Japanese Army spokesmen, there were then 111,000 Japanese civilians residing in North China alone, as compared with the pre-hostilities figure of 60,708 for all China.

The Japanese population of Tientsin is believed to be in the lead with a total of around 33,000. In Shanghai, the estimated number is between 38,000 and 40,000, and in Peking about 30,000. Other figures are Tsingtao 20,000, Tsinan 7,700, Kalgan 10,000, Shihchiachwang 6,500, Taiyuan 4,000.

Papal Choice Stirs World-wide Comment

World-wide comment, in which the political leanings of the new Pontiff were discussed at length, followed the election on Mar. 2 of Cardinal Eugenio Pacelli as supreme head of the Roman Catholic Church in succession to Pope Pius XI, who died on Feb. 10.

The new Pope, who took the name of Pius XII, was elected on his birthday. He is 63 years of age. During the reign of his predecessor, he held the post of Vatican secretary of state. In this latter office he has been succeeded by Monseignor Maglione, former Papal Nuncio in Paris.

Election of Cardinal Pacelli as Pope was hailed throughout the world as a wise choice, with the solitary exception of Nazi Germany, where the press declared that he favored the democratic as against the totalitarian states and was a political rather than a spiritual pope. The Nazi-controlled *Danziger Vorposten* went so far as to accuse the new Vatican ruler of having "prevented an early recognition of General Franco as supreme chief of Spain."

Church Losses in China

"The Sino-Japanese conflict has left an indelibile imprint on the Catholic Church," a *United Press* message from Vatican City stated on Mar. 1. Millions of dollars in Church property have been lost and a number of missionaries have lost their lives according to statements which the agency attributed to the Congregation for the Propagation of the Faith.

An unestimated number of churches, chapels, schools and mission residences have been destroyed, while the number of missionary dead was listed as 22, of whom three were Chinese. The highest Catholic ecclesiastic to be killed was Bishop Schraven, C. M., at Chengtingfu, in Hopei province. These losses, the Congregation said, have "compromised the efforts of decades."

At the same time, it was claimed that the Catholic Church in China was progressing in the matter of conversions. The circumstances of war having brought between 15 and 20 million non-Christian Chinese into close contact with Catholic missionaries. The number of baptisms in the war zones was said to be increasing rapidly.

Pickets Force Ban On Scrap Exports

In order to bring to an end an eight-day strike by dockers who had refused to load 21 train wagon-loads of iron into the Japanese freighter, *Norway Maru*, harbor authorities at Astoria, Oregon, announced Mar. 4 that they would prohibit exports of scrap iron to Japan, effective the following day, according to the *Havas* news agency.

Chinese women and children had been picketting before the dock at which the vessel was tied up and the dockers had thereupon refused to go ahead with their work. Upon announcement of the authorities' decision, the pickets withdrew and the loading of the ship was resumed.

At March Field, 300 kilometers south of Astoria, pickets prevented the loading of iron on to the Greek freighter *Kostis*. Harry Bridges, West Coast director of the Committee for Industrial Organization, is reported to be considering the extension of the picketing movement to all Pacific ports of the United States.

About two months ago, Senator Schwellenbach, who frequently had been a spokesman for the Washington administration, proposed government regulation of all scrap metal exports in order to conserve supplies which would be needed in time of war. He produced figures showing that scrap iron exports from the U.S.A. had risen from 227,500 long tons in 1932 to 4,095,000 tons in 1937. Exports to Japan alone rose from 164,500 tons to 1,091,000 tons.

Commenting on his proposed measure, Senator Schwellenbach said scrap iron "is the same as bullets—a means to make war," and declared it inconsistent with the policy of preparation for national defense to permit unregulated exports.

Who's Who in China

J. Shih-kuang Ngai (Ai), M.D., born at Wuchang, Hupeh, 1906; studied at Boone University and Yale-in-China; M.D., Hunan-Yale College of Medicine, 1929; interne, Peiping Union Medical College Hospital,

艾 世 光

J. Shih-kuang Ngai (Ai Shih-kuang)

1928-29; Pathologist, Peiping Union Medical College, 1929-34; Technical Chief of Laboratory, Central Hospital, Nanking, 1934-35; Technical Expert, Central Field Health Station, National Economic Council, Nanking, 1934-35; Lecturer in Pathology, Army Medical College, Nanking, 1934-35; Associate Professor in Pathology, National Medical College of Shanghai, Shanghai, 1935-39; Medical Director, Sino-Foreign Clinic, Shanghai, since 1939; author of many articles on pathology; life member, Chinese Medical Association (Shanghai); member, The International Association of Medical Museum, (Montreal, Canada); address: The Sino-Foreign Clinic, 536 Rue Bourgeat, Shanghai.

U.S. Appeals to Aircraft, Auto Industries to Move

The first move in plans to remove key industries to less vulnerable points inland, as a precaution against aerial attacks in time of war, was made March 3 when the Washington administration addressed an appeal on this subject to aircraft and automobile manufacturers.

Acting Secretary of War Johnson explained the fear harbored by the Administration when he told a gathering of Chicago businessmen and industrialists that 90 per cent of all American aircraft factories are located near the Atlantic or Pacific coasts.

The Administration, he continued, had already taken the initiative in the matter of defense against air attack by transferring the General Headquarters of the Air Force from Langley Field, Virginia, to Belleville, Illinois.

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FOREIGN CORRESPONDENTS:

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Men and Events

The Empress of Japan gave birth to a daughter on March 2. This is the seventh child. The Empress is 36 years old, according to *Domei*.

*

Miss Eleanor M. Wright, who has been visiting at her home in San Jose, California, has returned to Nanking.

*

N. F. Allman, American attorney, has returned to Shanghai from a business trip to Manila and Hongkong.

*

Frank Williams, U. S. Commercial Attache, stationed in Tokyo, is visiting in Shanghai. He is accompanied by Mrs. Williams.

*

J. E. Paradissis, proprietor of the Oriental Book Store, leading dealers in books and magazines in Tientsin, was in Shanghai on business this week.

*

Mr. Howard Carter, the famed archaeologist who together with Lord Carnarvon discovered and opened the tomb of the Egyptian King Tutankhamen, died Mar. 2 in London at the age of 65.

*

The U. S. Department of Agriculture, according to a *Reuter* dispatch from Washington on March 3, has increased the export subsidy on flour shipped from the Pacific Coast to China and Hongkong, from U.S. $1.10 a barrel to $1.15 a barrel.

*

Col. and Mrs. Isaac Newell, who have been spending the winter at their home at The Godown, Sea Island, Georgia, have gone to Paris and after several weeks of travel in Europe, plan to return to their home in Peiping in the late summer.

*

Mr. and Mrs. J. E. McCracken of St. Luke's Hospital and the American Hospital for Refugees in Shanghai, have returned from a trip to the United States. While in Washington, Dr. McCracken conferred with officials of the American Red Cross.

*

The Shanghai branch of the Moscow Narodny Bank, Ltd., previously located at Hamilton House, International Settlement, has been removed to No. 9, Ave. Edward VII, in the French Concession. The new telephone numbers are No. 87368 and 87367.

*

The U. S. Transport Gold Star which operates between Guam and Manila and Japanese ports, and spent several days in Shanghai last week, is now in Yokohama. The ship carried 1,168 officers and men and in addition 42 American officials and their families.

*

M. Pedro Leao Velloso, Brazilian Ambassador to Japan, who has been transferred to Rome, was guest of honor at a luncheon given by Emperor Hirohito on Feb. 24. M. Alfred Michelsen, new Colombian Minister to Japan, presented his credentials to Emperor Hirohito on Feb. 24.

*

Lee Tse Ming, who is a resident of Shanghai, wrote a letter, published in the *Kansas City Star* on Jan. 22, urging the United States to discontinue the sale of munitions to Japan. The letter said that public opinion in America, which was already "welded" against Japan, could exert strong influence if persons would write letters to influential individuals urging a ban on munition sales to the Japanese.

J. E. Swan, formerly general manager of Swan, Culbertson and Fritz in Shanghai, but now a broker in New York, has departed for the United States following a visit of several days in Shanghai. He traveled home by way of Trans-Pacific Clipper plane from Manila.

*

Dr. John Earl Baker, executive secretary of the China International Famine Relief Commission, has gone to Peiping and Tientsin to make an investigation of rural cooperative work in Hopei province. He is also planning to make an inspection in Shantung province on his return to Shanghai in about three weeks.

*

A Chinese couple, Mr. and Mrs. Andrew Lu have enrolled in schools in Kansas City, Missouri, Mrs. Lu Chin-Hua in the university of Kansas City and her husband in the Conservatory of Music. Mrs. Lu, whose home is in Peiping where she studied at the Yu Ying Academy, only arrived in the United States recently.

*

The Japanese have established a daily newspaper in the English language at Singapore, the name of the journal being *Singapore Nippo*. The object is to make Japanese culture better known in the South Seas. It was originally planned to also publish a newspaper in the Chinese language, but this was given up due to a fear of violent reactions among the large Chinese population.

*

Miss Yang Wei-ming, well known in Shanghai as the Chinese girl who slipped through the Japanese lines in Chapei in order to carry a flag and supplies to the "Death Battalion" which the Japanese were besieging in a warehouse on Soochow Creek, following a lecture trip in the United States, recently went to Paris where she was feted by the Friends of China Society on March 4. Her address dealt with Gen. Chiang Kai-shek's work in unifying the Chinese people. Miss Yang is 18 years old.

*

"One-ton" Zang Yu-ching, notorious gangster chieftain and head of the "Yellow Way Society" which was responsible for outbreaks of pro-Japanese terrorism here last autumn, has again secretly come to Shanghai, according to Chinese reports. As a retaliatory measure against the increasing anti-Japanese terroristic activities in and around this city, Zang is stated to have been commissioned by the Japanese authorities and their puppet organ in Nanking to direct espionage work here. He is stated to have arrived here on Feb. 27 and to have made his headquarters on Range Road, Hongkew. Zang is reported to have told certain quarters that he was confident of his ability to suppress anti-Japanese terrorists within a week's time.

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Mrs. Relman Morin, whose husband is chief of the Bureau of the *Associated Press* in Tokyo, has returned to Japan from a trip to Shanghai.

*

V. Niskanen, Consul-General for Finland in Shanghai, has departed for home. He was accompanied by Mrs. Niskanen and after a few weeks in Helsingfors, they plan to depart for Cape Town, where Mr. Niskanen has been appointed Consul-General.

*

Col. Sir John Emilius Laurie, Bart. is on his way to China to assume the post of Commander of British Troops in the Tientsin area. Col. F. K. Simmons, Chief of Staff at Jerusalem, is also departing shortly to assume command of British forces at Shanghai.

*

Dr. Melville Mackenzie, who is connected with the League of Nations at Geneva, is coming to China shortly to assist in organizing a campaign against epidemics. The last Assembly of the League voted the sum of 1,500,000 Swiss francs for the purpose of extending technical assistance to China.

*

Lawrence A. Steinhardt, at present U. S. Ambassador at Lima, Peru, has been appointed Ambassador to the Soviet Union. Mr. Steinhardt is a nephew of the well known New York Jew, Samuel Untermeyer. He is chariman of numerous business corporations. He was previously Minister to Sweden.

*

O. G. Steen, Vice-President of the American President Lines, has announced the transfer of Paul Lutey of the Shanghai office to Tientsin, where he will relieve D. D. McKay, General Agent for the President Lines, who is returning to the United States on leave. Mr. and Mrs. Lutey plan to depart for Tientsin shortly.

*

Irene Kuhn, formerly on the editorial staff of *The China Press*, is now featured on a radio program every Friday from station WOR, New York City, called "Irene Kuhan's Feature Page". Former Shanghailanders describe it as an informal, chatty and interesting fifteen-minute broadcast on the highlights of world happenings.

*

Serge Streltsoff, son of Mr. and Mrs. I. Streltsoff, Soviet residents of Shanghai, disappeared from the Thomas Hanbury Public School three weeks ago, and according to report, departed with a group of Chinese students for the interior to "join the Chinese Army." Mr. Streltsoff, who is connected with *Tass* news agency, refused to comment on his son's action, according to a report in *The China Press*. The boy is 15 years old.

*

Y. K. Chang, graduate of Soochow University and for three years connected with the Kiangsu board of education, has attracted considerable attention in the United States as a "finger-tip" painter. An exhibition of 64 water colors, all painted with his fingers and without the use of brushes of any kind, was held at the Guy Mayer Gallery in New York in mid-January. Finger-tip painting, a new development in education for children, was introduced in the United States in 1931, but Mr. Chang, the Chinese artist, stated that it had been practiced in China for centuries. The chief advantage is speed, it being possible to turn out a large picture in an hour. When the Japanese soldiers destroyed his home at the beginning of the Sino-Japanese war in 1937, Mr. Chang went to the United States and enrolled at Michigan University where he recently received a Master's Degree in Education. He has financed his American education through sale of his paintings.

Gordon Sinclair, correspondent of *The Toronto Star*, who has been traveling in the Far East, arrived in Shanghai this week.

*

The new officers of the American Junior Chamber of Commerce, elected on Mar. 1, are President, R. J. Monical, Texas Company, Ltd.; Vice-President, J. R. Reed, Automatic Telephones of China; Treasurer, E. C. Davis, National City Bank; Secretary, H. Maxey Smith, Shanghai Telephone Company. New directors include, J. E. Horton, RCA Victor Company; W. O. Krause, Texas Company, Ltd.; L. F. Bright, Foreign Y. M. C. A. More than 40 members and guests attended the annual meeting which was held at the American Club.

*

A recently formed American concern known as the United China Motion Picture Corporation, Inc., has purchased a controlling interest in three Chinese moving picture companies, the Sing Hua, Hua Sing and Hua Cheng, all of which were owned by S. K. Chang, well-known producer of Chinese films. The new company plans, according to the announcement, to also produce pictures using English titles and conversation. Chairman of the board of the new company is W. A. Adams, while N. F. Allman, local American attorney is Vice-Chairman.

The private residence of Chang Tin-fan, who served as Mayor of the Chinese Municipality of Shanghai in 1927 and 1928, was seized last week by the Japanese military, who announced that the residence would be converted into a "club." Servants who occupied the house were evicted. Mr. Chang and his family departed form Shanghai prior to the Japanese occupation and are now residing in Kweilin.

*

According to an *Associated Press* dispatch from Kweilin, Kwangsi province, it was claimed that the Japanese had lost fewer soldiers through surrender than any other army of equal strength in modern history. Continuing, the correspondent stated that a check-up of all Chinese prison camps revealed approximately 550 Japanese and Korean prisoners, more than half of whom were not combat soldiers. The largest concentration of Japanese soldier prisoners is at a small town in western Hunan where 130 Japanese and Koreans are living in a self-sufficient community. The organizer and director of the camp is a young Japanese and his wife who are working for the Chinese Supreme War Council. Both are political refugees from Japan and describe themselves as "anti-Fascists."

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George F. Shecklen, Vice-President and Representative for China of R. C. A. Communications, Inc., has returned to Shanghai from a trip to Hongkong, Manila and the Netherlands Indies.

Last Chapter in Spain's Civil War

European cable dispatches dealing with the situation in Spain this week have painted a picture of the utter collapse of the Loyalist casue and of the complete disintegration and demoralization of the "Popular Front" which, in the words of its artificers, was to have saved Spain from fascism.

The Spanish Loyalist ministers, with Premier Juan Negrin well in the lead, fled from Madrid and are now comfortably ensconced in France. A military junta, consisting of "Loyalist" generals headed by Gen. Jose Miaja, has taken control of the Madrid situation and clamped down a military dictatorship while conducting negotiations with Gen. Franco for the "peaceful surrender" of the capital.

All but the Communists, always the most ardent supporters of the "Loyalist" generals and ministers, are represented in the junta and the Communists have been ordered to obey or suffer repressions. Fighting has broken out in Madrid, where apparently the armed people are endeavoring to west control from the military junta and thus prevent the handing over of the city to Franco's fascist troops. Last Sunday, an uprising by fascist supporters of Gen. Franco took place in the Loyalist port of Cartagena.

According to London messsages, Gen. Franco's armies now number one million men under arms. Burgos dispatches said that failing the early and unconditional surrender of Madrid, Franco's armies would proceed to occupy the city by force. Any further organized resistance is not expected in any case.

Alarming Situation Now Prevailing in Tientsin

An alarming situation has been created in Tientsin, where the Japanese military have thrown barricades around the foreign concessions, including, at some points, a live wire. British and French consular authorities have asked the Japanese against whom the barricades have been erected and are reportedly pressing for a speedy answer.

Reuter described the network of barricades as "impenetrable," completely shutting off all exits except for a few major thoroughfares, which are all guarded at the borders by armed Japanese sentries and Chinese police. Traffic in and out of the Concessions, however, was not being interfered with. Machine-gun emplacements were erected at strategic points, the guns pointing to the foreign areas.

Tokyo Not Worried By Border Clashes

The Japanese Government does not attach much importance to the recent series of border incidents between Manchukuo and the Soviet Union, a spokesman of the Tokyo Foreign Office declared March 6.

He remarked that "we have been accustomed to incidents" which so often occur along the border between Manchukuo and the Soviet Union because it is so lengthy.

Questioned by foreign correspondents concerning the organization of a joint border commission between Japan, Manchukuo, and the Soviet Union, the spokesman said that it was making "very slow progress".

On March 5 Manchukuo filed a strongly-worded protest with the Soviet Union over an alleged invasion of its territory by a Soviet border partol at Kuanyuehtai, north of Suifenho, on the eastern Soviet-Manchukuo frontier. In an engagement between 40 Soviet guards and a Manchukuo patrol of 20 men, five Manchukuoans were wounded, while about 15 Soviet guards were either killed or injured, a Mutankiang message said. The protest was filed by Mr. Nobusada Shimomura, Manchukuo Commissioner for Foreign Affairs in Harbin, with the Soviet Consul-General there.

Fisheries Dispute Unsettled

Undeterred by the seeming breakdown in negotiations between Japan and Moscow for a new treaty to safeguard Japanese fishing interests in Russian waters, Japanese firms have completed all preparations to start fishing operations on a larger scale than last year, the *Yomiuri Shimbun* reports.

With fishery relations between Tokyo and Moscow growing more strained day by day several large concerns were planning to catch salmon and trout in such quantities as to enable them to turn out more than one million cases during the coming season.

A spokesman of the Foreign Office said: "The Japanese Government never will give up negotiations for concluding a fishery agreement with the Soviet Union but on the contrary will continue negotiations until the last moment." Parleys in Moscow were making little progress, he said.

The Soviet Government had decided to auction stabilized lots on March 15 but Japanese fishery interests were refusing to participate unless an agreement was reached in advance on the basis of maintenance of the status quo, the spokesman stated.

Will Not Give Up Rights

He declared that the Anti-Comintern Pact had nothing to do with Japan's fishery rights which were granted by the Portsmouth Treaty of 1905. The Japanese Government had no intention of giving up its rights to fish in Soviet waters in the Japan, Okhotsk and Bering Seas, as provided by that treaty, he asserted.

According to the *Yomiuri*, the Russo-Japanese Fishery Company, or the Nichiro Gyogyo, the largest Japanese fishing concern, was preparing to produce 470,000 cans of tinned salmon, 250,000 cases of tinned trout and 80,000 cases of tinned crabs. The firm's vessles will sail from Hakodate for northern waters on April 10.

The Pacific Fishery Company, which operates on the high seas, has increased its depot ships from seven to 13 and its fishing boats to 300, the paper said. The vessels will sail from Hakodate between May 5 and May 20. The Northern Kurile Fishery Company and other concerns also have increased their fleets of vessels this season, according to the *Yomiuri*.

Four Japanese Civilians Killed When Shell Explodes

Four Japanese civilians were killed and two others seriously wounded when a missile of undetermined type exploded in the battle-torn ruins of the Chun Tai Furniture Factory, situated on the east, or old, Kiangwan Road, beyond the S.V.C. rifle range, on Mar. 1. A party of six Japanese adults and two children were touring the former fighting area. One of the children, a 15-year-old boy, picked up the missile from among the debris and after examining it dropped it to the ground. The explosion killed the lad outright and inflicted mortal injuries on three other members of the party. The remaining two sustained lesser injuries.

About one month ago Leslie Morris, son of Brigadier B. Morris, head of the local branch of the Salvation Army, was seriously injured when he picked up a grenade while out cycling in the Hungjao area. The grenade exploded, causing him to lose one arm, while the other was badly injured. He also suffered injury to his eyes.

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New Books of Interest in the Far East

U.S. Navy History

GALLANT JOHN BARRY, 1745-1803—The Story of a Naval Hero of Two Wars. By William Bell Clark. New York. The MacMillan Co., 1938. 330 pp. + IX, Bibliography, Index. U.S.$3.50.

This biographer of the American seaman, John Barry, has eschewed the psychological approach to this subject in favor of the historically documented style which would seem eminently suited to the stalwart and forthright man he portrays. Barry was the man who outfitted the first ships of the continental fleet and served with distinction as a commander in the American Revolution.

The first part of the book, dealing with the American Revolution and the slow birth of the new navy, is a genuine contribution to American naval history based upon a mass of hitherto unconsulted Barry manuscripts and other source materials, documents in the Pennsylvania archives, memoirs, personal letters and old ships' logs. The remarkable fact brought out is that an American navy could emerge from the politics and disappointments of the early years of the Revolution.

One of the sections particularly interesting to old China hands will be the account of Barry's voyage to Canton in 1787. In Capetown, Captain Barry arranged with the Dutch East India Company for permission to trade, and two months later he sailed into the China Sea. Fortunately Barry was able to engage Chiqua as an interpreter for his relations with the Hong merchants. Barry's log shows the cost of doing business in Canton to have been very high—a gift of $2,700 to the Grand Hoppo being included.

Barry's accounts of shopping for his friends will be appreciated by many who would not have worked out his method of redress:

"I am Persuaded both you and I would have been better Satisfied at this time," a letter to a Mrs. Lewis explains, "had we Known the Price of Silks in China before I sailed from Philada." The piece of satin the lady had desired was not to be had at the price she expected. Rather than disappoint her he was advancing the necessary additional money and was charging her 75% interest. "Believe me, it is not as much as I could have made of the Money to have bought things in Canton and sold them in Philada."

Two ships, the *Canton* and Captain Barry's *Asia*, sailed from Canton together on January 12, 1789. They kept in sight of one another and dropped anchor but a few hours apart in Table Bay, off Capetown, in March. Separated in the South Atlantic by a violent gale, Barry sailed into Philadelphia twenty-four hours before his rival, the *Canton*, four months and twenty days out from Canton.

Shortly there was an advertisement from one of the Philadelphia shops on Second Street below Walnut:

"Best Imperial, Hyson and Suchong TEAS, Black and fashionable coloured lutestrings; black, white and ditto sattins; dark brown and silver grey damasks, of small figures; black paduasoys; black and coloured sewing silks; Pullicat silk romalls; black, cloth coloured and crimson twilled China silk handkerchiefs; and a few sets of very elegant TEA CHINA," all "imported in the ship *Asia*, Capt. Barry, from Canton."

Although this biography may seem somewhat long and detailed to the casual reader, the author has certainly accomplished his purpose of writing a definitive biography of Captain Barry. Barry was an imposing and commanding figure. That has been shown by Mr. Clark.

F.M.R.

Europe's Affairs in 1938

DICTATORSHIPS VERSUS DEMOCRACIES—Compiled by Harrison Boyd Summers and Robert E. Summers. H. W. Wilson Company, New York, 1938. U.S. 75 cents.

A "Reference Shelf" publication, *Dictatorships versus Democracies* has been prepared as a supplement to *Anglo-American Agreement*, published previously. It contains references to important articles that have appeared on this subject, and reprints of some of the better of these articles. The "Reference Shelf" is published to make available, when needed, good debates and collections of articles on timely subjects for public discussion. The new booklet takes up affairs in Europe during the fall of 1938, pointing out the relationship of Great Britain to these developments and suggesting future Anglo-American policy. Materials illustrating recent developments in China and Japan, as well as articles on Fascist activities in Latin-America, are included. An extremely timely and handy reference.

H. F.

Italy and Versailles

ITALY AT THE PEACE CONFERENCE—By Rene Albrecht-Carrie. Paris Peace Conference: History and Documents (Series). Published by Columbia University Press. New York, 1938. XV+575 pp. Maps. Price U.S.$5.25.

The peace settlements that followed the Great War are now recognized as crucial events of modern history. But attention has been focused to a large extent on the various phases of the German settlement, while insufficient notice has been taken of the fact that in many respects the outstanding result of the War was the disintegration of the Austro-Hungarian empire. In the south central European area the position of Italy was, and more than ever is, of prime importance.

In the Peace Conference which laid the foundations of the new Europe, it was Italy's lot to be cast in the role of defender of the old order of diplomacy against the new sponsored by the United States. One of the results was that the peace settlement was received with almost unanimous dissatisfaction in Italy.

A comprehensive treatment of the Italian problems has not yet appeared, and the advent of the new regime in Italy, together with subsequent events, has pushed the memory of 1919 into the background. The Italians themselves have been reticent, while others have tended to consider the Italian phase secondary. The Italian problem has been a subject of polemics rather than of history.

It is Dr. Albrecht-Carrie's purpose to trace the development of the negotiations, to fit their course into an intelligible pattern, and to produce—as far as possible on the basis of all records available at the present time—a fair, factual account of events.

P.

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Facts and Some Fiction

POLITICAL HANDBOOK OF THE WORLD, 1939—Edited by Walter H. Mallory and Published by Harper & Brothers, New York, for the Council on Foreign Relations. 207 pp. Price U. S. $2.50.

More than 80 countries are covered in this valuable volume, which might be described as a directory of rulers, governments, parliaments, political parties and the press. The information is about as up-to-date (January 1, 1939) as one could wish, although the march of events is so rapid these days that a volume of this kind is bound to be dated in some respects before it can be gotten off the press. Thus, it would be necessary to revise completely the information about Spain, where the recognized government is now that of the fascist General Franco.

In the arrangement of the volume a certain amount of political partisanship is discernible, as, for example, in the inclusion of data concerning the government of Manchukuo under the heading of China, although the Manchurian territory has been *de facto*, and in part *de jure*, a Japanese colony these past seven years. This concession to Chinese susceptibilities would doubtless be defended on the ground that Manchukuo has not been recognized by the United States, France and Britain, or by China.

On the other hand, in the section on Italy, King Victor Emmanuel III is described as the Emperor of Ethiopia—*without* quotation marks. One can sympathise with the compiler. In these days of "realistic" Chamberlainic deals it is hard to preserve a consistency based upon juridical grounds.

The section on China is remarkable for the fact that it saddles the Chinese Communist Party with a program which its leaders, publicly and demonstratively, threw overboard quite a considerable time ago. "In foreign policy, (it) favors an active alliance between China and Soviet Russia for the suppression of imperialism and capitalism, and in the interests of the world revolution; in domestic policy, proposes a Soviet Government and a frankly communistic economic and social program."

One rubs his eyes at these statements. Could their author (presumably he is a Chinese) possibly be unaware of the Communist Party's "change of heart?" A more likely explanation is that he has a reason for not wanting the ex-Reds to forget, or lead others to forget, their naughty, naughty past.

F. G.

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Fresh fruit is good for children, they should be encouraged to eat it. But they should also be warned to avoid fruit which is damaged, under or over-ripe, for this is a frequent source of 'tummy' trouble.

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Propaganda Pamphlets

It is interesting to attempt to evaluate the different propaganda pamphlets on the China-Japan conflict as put out by both nations or their friends. All the Chinese bulletins stress the fact that the Chinese are not disheartened, and that they still hope the Western nations, threatened by the continuance of the affair, will awaken to their responsibilities before it is too late. All the Japanese articles stress the fact that the only aim of Japan in China is to seek peace and harmony with China and unify the Asiatic races.

Dr. C. C. Wang's article on the conflict, reprinted from the *Asiatic Review*, tells of the grim realities that confront the world because of the trouble, as does Dr. Chu Chia-hua of the Chinese League of Nations Union. The Chinese group of the International Law Association presents a memorandum on neutrality and the protection of civilian population. Messages by the nation's leaders on the first anniversary of the war, July 7, 1938, may be epitomized by General Chiang's statement "Our road is clear: we will fight to the end." An American friend, Mrs. Julia Ellsworth Ford, declares that the spirit of Shu-Yuan Chang, who destroyed Mongol domination, inspires China today and that a victory for China would be a victory for the whole world.

The Pulse of Japan, published by the Tokyo Information Bureau, explains the ideals and aims behind Japanese action on the mainland of Asia. It is extremely doubtful if many readers will be convinced that Japanese flyers have always respected civilians, and have bombed only military objectives, and that their only object is harmonious co-operation with the Chinese. Over and over the statement is made that Japan is not the only violator of treaties. The ways in which Japan plans to relieve China is by improving mass conditions and organizing cultural enterprises. For instance, *all the farmers in the Shanghai district have been distributed free seeds, manure and agricultural implements*, and Tung Wen College now possesses "some 100,000 books which were brought from what remains of a Chinese University."

L. M.

New Chungking Publication

A new magazine, *China at War*, issued in the English language, has been started in Chungking. The first issue, received in Shanghai this week, contains 80 pages and is well printed. Articles include, "China Shall Rise Again," by Madame Chiang Kai-shek; "Boy Scout's War Biography," "Free Entrance to the Ivory Towers," "War and China's Planned Economy," "China Calling London," "China Marches Toward Democracy," "China Speaks—a Poem," "Ungrateful Pupil of China," "Iron Horse in Dragon Land," "Guerilla Ambuscade," "China: Center of East Asia Gravity."

Another Book by Sassoon

Siegfried Sassoon, brother of Sir Victor Sassoon, well known in Shanghai, is the author of a new book, *The Old Century and Seven More Years*, published by Viking Press, N. Y. (U.S.$2.75). The book is described by reviewers as not "full-dress autobiography," but more a "personal research into a lost time, a distillation of the nineteenth century in England and all that it means in the leisured pace of life and the quiet acceptance of security." Sassoon's previous novels, *Memoirs of a Fox-Hunting Man*, and *Memoirs of an Infantry Officer*, also drew largely from his personal experiences.

Japan Munitions Blast Takes Heavy Toll of Life

Casualties, in a munitions blast and subsequent fire which on Mar. 1 partially destroyed the town of Hirakata, near Osaka, totalled 67 dead and 580 injured, Lieut.-Gen. Seishiro Itagaki, War Minister, reported in the House of Peers. He said 187 persons were missing while 39 houses had been demolished, 176 partly destroyed, 286 gutted by fire and 57 damaged. Expressing regret over the disaster, the War Minister said it had been caused by careless handling of a shell. He assured the House of Peers that the disaster would not hinder military operations.

Fire at the Yokosuka naval base destroyed five warehouses on Mar. 6 before it was controlled, according to a communique issued by the naval authorities. No casualties resulted and no private dwellings were damaged.

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ASSETS

Cash	U.S.$ 1,414,766
Government, State and Provincial Bonds	1,141,778
Municipal and Corporation Bonds	8,551,977
First Mortgage Real Estate Loans	19,162,374
Balances due on Real Estate Sales Contracts	2,570,481
Mortgages held as additional security on above Contracts	859,067
Home Office Building	591,000
All Other Real Estate	2,765,323
Loans on Policies	5,224,159
Preferred and Common Stocks (Market Value)	4,061,192
Assets of Management Funds	10,895,638
Premiums deferred and in course of Collection	1,909,057
Interest Due and Accrued	342,049
Other Admitted Assets	52,069
TOTAL ASSETS	U.S.$59,540,930

LIABILITIES

All Policy Reserves		U.S.$42,952,073
Premiums and Interest Prepaid		833,527
Taxes Accrued		353,791
Liabilities and Surpluses of Management Funds		10,895,638
All Other Liabilities		379,597
TOTAL LIABILITIES		U.S.$55,414,626
Investment and Other Contingency Reserves		U.S.$ 1,094,372
Capital	U.S.$1,000,000	
Surplus Assigned	300,599	
Surplus Unassigned	1,731,333	
Surplus as regards Policyholders		3,031,932
TOTAL LIABILITIES, Contingency, Reserves, Capital and Surplus		U.S.$59,540,930

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